Lesson 5—Handout 2

Emergency Savings

Instructions: Use the information below to adjust Trey's budget. Trey has a part-time job earning $750 a month and has saved $600 for college. The money is held in a checking account. Trey would like to develop a plan to save an additional $1,000 in the next eight months for emergencies before starting community college next year. Assume his income each month will not change. After you finish adjusting the budget, answer the questions below:

- Identify areas where Trey can trim expenses.
- Add the new adjusted totals for each expense category.
- Record the amount saved in the last column.
- Adjust the budget until the total amount saved over eight months is equal to or greater than $1,000.

Monthly Emergency Savings Budget				
Total income	$ 750		$ 750	
Expenses *Assumes 20 school days in a month*		**Adjusted**	**Amount saved**	
Cellphone plan	$ 62			
Music streaming subscription	$ 12			
*Lunch 4x week ($9.75 x 16)	$ 156			
Gas 2x month ($28 x 2)	$ 56			
Car insurance	$ 141			
Entertainment 4x month ($25 per week)	$ 100			
Gym membership	$ 25			
Clothing/shoes	$ 150			
Coffee 2x week ($6 x 8)	$ 48			
Total expenses	$ 750			
Total income	$ 750			
Total expenses	$ 750			
Available to save (income - expenses)	$ 0			