

Makeup economic assignment

[Linguistics](#), [English](#)



Projected Monthly Household Budget Introduction A projected monthly household budget is a financial plan that allocates monthly personal income towards debt repayments, expenses, and savings. Past spending of the student and personal debt repayments are in consideration when creating projected monthly household budgets (Barber 225). This essay gives a detailed discussion of a projected monthly household budget for a person following graduation from Iowa state university for an assumed typical graduate of the economics department. This household budget allocates expected income of \$40, 000 to the expected expenses of the graduate as well as the intended savings. The following is a household budget that illustrates how the student should allocate his income.

Projected monthly household budget

Item

Monthly Amount in Dollars (\$)

Housing

14, 000

Food

4, 000

Automobile Loan

500

Vehicle Insurance

150

Education Loan Repayment

800

Entertainment and Recreation

2, 000

Clothing

500

Medical Insurance Cover

50

Investments

12, 000

Miscellaneous

1, 000

Savings

5, 000

Total Income and expenditure

40, 000

Purpose of choosing this household budget plan

The purpose of this projected monthly household budget is to ensure that the graduate avoids the risk of unexpected expenses such as enrolling for unpredicted courses. Since the graduate lives and works in Des Moines, IA, which is among the states with high living standards, it is logic to budget for a housing and food cost of \$14, 000 and \$4, 000 respectively. In order to improve transport efficiency and convenience, the graduate should purchase a personal vehicle at the cost of \$8, 000 payable in monthly installments of \$500. Therefore, the graduate must budget for the vehicle monthly insurance of \$150. The vehicle will be necessary since it will enable the graduate to avoid transport inconveniences due to public transport means. In addition, the graduate should adopt a budget plan that will enable him

repay the education loan. The above budget plan proposes a monthly amount of \$800 to settle the total loan of \$10, 000 in a period of 12. 5 months. The budget also proposes that the graduate should allocate a total of \$2, 000 for entertainment and recreation. According to the above monthly budget, the graduate should set a total of \$500 and \$50 for clothing and medical insurance cover respectively. Making payments for the medical insurance cover will enable the graduate to avoid paying huge amount of money when he or she is going through any medication. Moreover, it will be a nice decision for the graduate to look for means of investments. This will enable the graduate to increase his total monthly income, hence improving his or her living standards. Therefore, the above Monthly budget entails that the graduate should budget for monthly investments of \$12, 000 as a way of attracting extra income. The graduate should also allocate some money for miscellaneous. This is for purchasing other essential things such as stationery. This projected monthly household budget also guarantees the graduate for future savings. This is essential since it will enable the graduate to avoid chances of experiencing financial shortages in the future after his retirement. According to the above budget, the graduate should allocate \$5000 for monthly savings.

Conclusion

To sum up, a monthly budget should have a defined goal or a purpose that is achievable within a certain period (Barber 225). Knowing the income source and the amount of income and the totals allocated to every expense event is as essential as when such cash flows take place. A projected monthly household budget should not be complicated since the more complicated the

budget is, the less likely the graduate will stick to it (Barber 227).

Work Cited

Barber, Karra. *The Social and Life Skills Menu: A Skill Building Workbook for Adolescents with Autism Spectrum Disorders*. London: Jessica Kingsley Publishers, 2011. Internet resource.