**5.1 Budgeting**

Objective:

I. What is a **Budget**?

A. How to spend vs.

1. **Income**: Amount of money that a

a. **Gross Income**:

b. **Net Income:** the amount of money

2. **Expenditures** (expenses): Total amount

B. Types of Expenditures

1. **Deductions:** expenditures

a. Pre-Tax Deductions

(1.)

(2.)

(3.)

(4.)

2. Taxes

a. **Federal Income Tax** -

2016-2017 Federal Income Tax Brackets

|  |  |  |
| --- | --- | --- |
| **Rate** | **Taxable Income Bracket** | **Tax Owed** |
| 10% | $0 to $9,325 | 10% of Taxable Income |
| 15% | $9,325 to $37,950 | $932.50 plus 15% of the excess over $9325 |
| 25% | $37,950 to $91,900 | $5,226.25 plus 25% of the excess over $37,950 |
| 28% | $91,900 to $191,650 | $18,713.75 plus 28% of the excess over $91,900 |
| 33% | $191,650 to $416,700 | $46,643.75 plus 33% of the excess over $191,650 |
| 35% | $416,700 to $418, 400 | $120,910.25 plus 35% of the excess over $416,700 |
| 39.60% | $418,400 + | $121,505.25 plus 39.6% of the excess over $418,400 |

b. **State Income Tax** -

C. Types of Bills

1. **Mortgage** -

a. Foreclosure:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. **Rent** -

3. Car Payment

a. Gas Payments- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Insurance:

a. Car Insurance:

b. Home/Renters Insurance:

5. Phone Bill

6. **Saving**:

7. General Expenses:

a.

b.

c.