**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.