



Average Monthly

Vocab:

Recordkeeping - keeping track of your finances

Expenditures - what you spend money on.

Budget Sheet - where you record your records

Living Expenses - monthly, variable cost of living

Budget - seeing what is spent and planning for the future

LESSON
3.1

EXAMPLE 1

Selena and Trent Miller keep records of their expenditures. See Figure 3.1 on page 158. They want to know how much they spend each month (on the average) for various categories. Here are their records for three months. What is their average monthly electric bill?

$$\frac{(121.47 + 153.56 + 125.88)}{3} = 133.64$$

July		August		September	
Mortgage Loan	\$ 675.00	Mortgage Loan	\$ 675.00	Mortgage Loan	\$ 675.00
Groceries	275.00	Electricity	153.56	Electricity	125.88
Electricity	121.47	Restaurants	119.30	Airplane ticket	352.00
Dentist	143.50	Movies	29.50	Doctor Copay	25.00
Phone/Internet	37.85	Phone/Internet	47.29	Phone/Internet	37.85
Gasoline	118.60	Groceries	319.00	Gasoline	96.74
Water/Sewer	41.45	Gasoline	123.36	Groceries	285.92
Credit Card(s)	121.74	Water/Sewer Bill	89.94	Football Game	66.00
Baseball Game	52.50	Credit Card(s)	298.65	Credit Card(s)	171.28
Gift	45.00	Gift	85.95	Water/Sewer	56.66
Clothing	151.56	Dry Cleaning	26.88	Home Repair	96.45
Car Loan	278.50	Car Loan	278.50	Car Loan	278.50
Car Repair	126.36	Home Repair	275.68	Fuel Oil	198.31
Total	\$2,188.53	Total	\$2,522.61	Total	\$2,465.59

LESSON 3.1

Use Figure 3.1 to compute the average monthly expenditure for the following. Check your answers in the back of the book.

1. Credit Card(s)

$$121.74 + 298.65 + 171.28$$

$$3$$

$$197.22\overline{3333}$$

$\$197.22$

July		August		September	
Mortgage Loan	\$ 675.00	Mortgage Loan	\$ 675.00	Mortgage Loan	\$ 675.00
Groceries	275.00	Electricity	153.56	Electricity	125.88
Electricity	121.47	Restaurants	119.30	Airplane ticket	352.00
Dentist	143.50	Movies	29.50	Doctor Copay	25.00
Phone/Internet	37.85	Phone/Internet	47.29	Phone/Internet	37.85
Gasoline	118.60	Groceries	319.00	Gasoline	96.74
Water/Sewer	41.45	Gasoline	123.36	Groceries	285.92
Credit Card(s)	121.74	Water/Sewer Bill	89.94	Football Game	66.00
Baseball Game	52.50	Credit Card(s)	298.65	Credit Card(s)	171.28
Gift	45.00	Gift	85.95	Water/Sewer	56.66
Clothing	151.56	Dry Cleaning	26.88	Home Repair	96.45
Car Loan	278.50	Car Loan	278.50	Car Loan	278.50
Car Repair	126.36	Home Repair	275.68	Fuel Oil	198.31
Total	\$2,188.53	Total	\$2,522.61	Total	\$2,465.59

LESSON
3.1

EXAMPLE 2 Algebra

Rudy Timmons had a \$287.80 average monthly expenditure for groceries during the first quarter of this year. He spent \$312.56 in April and \$235.40 in May. How much can Rudy spend in June to have the same average as in the first quarter?

3 mo.

$$\frac{312.56 + 235.40 + J}{3} = 287.80$$

$$3 \left(\frac{547.96 + J}{3} \right) = (287.80) 3$$

$$547.96 + J = 863.40$$

$$-547.96$$

$$\boxed{J = 315.44}$$

LESSON
3.1

Complete the problem. Check your answer in the back of the book.

4. Your average monthly expenditure for gasoline during the first quarter was \$167.70. You spent \$147.20 in April and \$172.90 in May. How much can you spend in June to have the same average as in the first quarter?

$$\frac{172.90 + 147.20 + J}{3} = 167.70$$
$$\$(320.10 + J) = (167.70)3$$
$$-320.10 + J = 503.10$$
$$J = 183$$



Preparing a Budget Sheet

Vocab:

Fixed Expenses - an expense that doesn't change from month to month.

Annual Expenses - a yearly expense.
(\div by 12 for monthly)

LESSON
3.2

EXAMPLE

The Millers use records of their past expenditures to complete the budget sheet in Figure 3.2. After calculating their monthly share of annual expenses, find their total monthly expenses.

Handwritten calculations:

$$\begin{array}{r}
 1089.00 \\
 1078.00 \\
 \hline
 2167.00 \\
 313.25 \\
 \hline
 2480.25
 \end{array}$$

A Money Manager for <u>Selena and Trent Miller</u>		Date <u>10/1/20</u>	
Monthly Living Expenses		Monthly Fixed Expenses	
Food/Groceries	\$ 275.00	Rent/Mortgage Loan	\$ 675.00
Household Expenses		Car Loan	278.00
Electricity	70.00	Savings	125.00
Heating	65.00	Total	\$ 1,078.00
Phone/Internet/Cable	95.00	Annual Expenses	
Water	12.00	Life Insurance	\$ 575.00
Transportation		Home/Renter's Insurance	840.00
Gasoline/Oil	115.00	Car Insurance	475.00
Parking		Real Estate/Property Taxes	1,215.00
Tolls		Car Registration	54.00
Personal Spending		Charitable Contributions	600.00
Clothing	70.00	Total	\$ 3,759.00
Credit Card(s)	110.00	Monthly Share (Divide by 12)	\$ 313.25
Newspaper, Gifts, etc.	45.00	Monthly Balance Sheet	
Pocket Money	57.00	Net Income (Total Budget)	\$
Entertainment		Living Expenses	1,089.00
Movie/Theater	35.00	Fixed Expenses	1,078.00
Sporting Events	65.00	Annual Expenses	313.25
Dining Out	75.00	Total Monthly Expenses	\$
Total	\$1,089.00	Balance	\$

LESSON
3.2

Calculate the monthly share of annual expenses and find the total monthly expenses. Check your answers in the back of the book.

1. Annual, \$4,200; Living, \$670; Fixed, \$800

$$\frac{4200}{12} = \$350$$

$$350 + 670 + 800$$

$\$1820$

LESSON 3.2

Diana Pender is a landscaper. Her husband, Paul, is a radio sportscaster. They completed the budget sheet shown in Figure 3.3 using records of their past expenditures. Use the budget sheet to answer the following questions.

3. How much are the Penders' total monthly living expenses?

add them up

A Money Manager for <u>Diana and Paul Pender</u>		Date <u>4/10/20</u>	
Monthly Living Expenses		Monthly Fixed Expenses	
Food/Groceries	\$290.00	Rent/Mortgage Loan	\$ 625.00
Household Expenses		Car Loan	
Electricity	45.00	Installment Loans	
Heating	50.00	Appliances	
Phone/Cell	65.00	Furniture	125.00
Water	24.50	Regular Savings	200.00
Garbage/Sewer		Emergency Fund	50.00
Cable TV	95.00	Total	\$ _____
Other _____		Annual Expenses	
Transportation		Life Insurance	\$ 840.00
Gasoline/Oil	85.00	Home/Renter's Insurance	
Parking	45.00	Car Insurance	750.00
Tolls	25.00	Real Estate/Property Taxes	
Commuting		Car Registration	52.00
Other _____		Charitable Contributions	100.00
Personal Spending		Other _____	
Clothing	60.00	Total	\$ _____
Credit Card(s)	50.00	Monthly Share (Divide by 12)	\$ _____
Newspaper, Gifts, etc.	20.00	Monthly Balance Sheet	
Pocket Money	60.00	Net Income (Total Budget)	\$2,600.00
Entertainment			
Movie/Theater	20.00	Living Expenses	
Sporting Events	65.00	Fixed Expenses	
Recreation	22.00	Annual Expenses	\$ _____
Dining Out	140.00	Total Monthly Expenses	\$ _____
Total	\$ _____	Balance	\$ _____