

When you begin working and start supporting yourself financially, life becomes expensive! The Budgeting for Real Life Tool requires Microsoft Excel. Based on common bills, the tool helps you begin to see how much it will cost you to live on your own. The cost estimations on the tool are just that, estimations: actual amounts vary depending on what city you live in. This handout takes you through the steps to use the tool.

**How do I use this tool?** The tool has four main categories: Housing, Transportation, Housing Expenses, Miscellaneous Important Expenses, and Personal Luxuries. In each category are common monthly bills. Some of the bills are mandatory, while others you can elect to have. All you have to do is select your choices from the dropdown menus and the tool will automatically calculate your monthly bills by category and in total. You will notice that some numbers are already inputted – this is because you must pay those bills. See below for an explanation of each category.



### Housing

You have to live somewhere, so you must decide the best living arrangement for you. Living alone can be the most expensive option because you are entirely responsible for rent. The more people you live with, the lower your rent will likely be. **Select an option, including number of roommates.**



### Transportation

You have to figure out how you'll get around. Will you drive, take public transportation, or walk? Consider factors like cost, access, and convenience. If you purchase a car, consider used. And, if you have a car, you must also budget for insurance and gas. **Select an the options that make sense for you.**



### Housing Expenses

Someone has to pay to keep the lights on and the cable going. Plus you have to eat. Some of these bills, like electricity, gas, and sometimes heating, are mandatory. Other expenses like cable and internet (and even cell phone!) are optional. **Select the expenses you plan to cover.**

### Miscellaneous Important Expenses

This section includes two important expenses, health insurance and loan repayments, which may or may not apply to you. If your employer does not pay for health insurance, you must cover those costs. **Select the options that best reflect your situation.**



### Personal Luxuries

Here you will find other expenses that are nice luxuries to have, if you can afford them. This is an area where you can save money, but you might have to make sacrifices. You do not have to give up luxuries, but it might be smarter to cut back. **Select the options for you.**

**What's Next?** Once you've completed making your selections, check out the **Total Expenses p/Month** and **Total Expenses p/Year** values. This gives you a rough idea of how much money you'll need to make *at minimum* in whatever career you choose.