

Budget Exercises for Students, Exercise 17, Supplemental Expense items (Chapters 1-2)

It is now time to add in the savings vehicles. These items are discretionary in terms of what you'd like to put away; however, it is mandatory that you have a Savings, Miscellaneous and Emergency Funds. Miscellaneous covers the unexpected items so be generous in how much you put away each month. (In real life, you can pare down the amount as you learn what needs to be paid for and also how much you have built up over time)

For Emergency fund plan to save 3-6 months. This is at your discretion as well; however, the Squad recommends that you shoot for six months. Keep in mind that in part two of the book we will get into purchasing a home so it is important to build this fund along with the others over the next simulated three years.

Periodic expenses

Monthly expenses are automatic every month; however, you need account for expenses that occur quarterly, biannually or yearly. Depending on the period of when the bill is due divide by the number of units to determine the monthly amount. For example, if you have a quarterly bill of \$39 for then \$13 needs to be put away each month. Samples of these expenses are below:

- DMV registration, plates, license etc.
- Trash and sewer service
- Music services
- Memberships
- Term life insurance
- Auto insurance
- Veterinary service

[REFER TO THE STUDENT BUDGET VIDEOS FOR DETAILED INSTRUCTION](#)