

### ***Budget Exercises for Students, Exercise 13, Electric & Gas Bills***

In climates with seasons that have huge swings in temperature, the usage of electricity and natural gas fluctuates. This applies more for those who own or rent a home. (Often times when renting an apartment or condo these bills can be included in the rental price) In order to complete this exercise speak to a parent or guardian or someone who pays these bills.

Ask of him or her to go online to the utility companies and review the bill history over the last year so you can obtain an average cost to input into your spreadsheet. More than likely the cost of your utilities will be less than the example you are looking at therefore, the base monthly average for this exercise to start will be 2% of your gross income. For example, a gross income of \$1,000 per check at 2% is \$20 so this is what you would enter into the spreadsheet for gas and electric. This equates to a yearly cost of \$240 for each utility.

The next move is to run through the **12-month budget exercise**. In order to complete this exercise go back online and review the last 12 months of billing history. Then calculate the difference in the bill cost month-over-month for that entire 12 months to determine the fluctuations in price. For example, if the bill in November was \$28 and \$46 in December then the increase is a little over 64% ( $\$46 - \$28 = 18/28$ ). After determining the increases and decreases over the year's cycle take your base budget amount and apply the changes to it. For example, if the average was \$50 and in December the increase is 64% then the bill will be elevated by \$32 ( $50 \times .64 = 32$ ). The bill will then be \$82.

Lastly, you will need to create a spreadsheet add up all of the costs for the year and divide by 12 to establish the average monthly amount for budget for both utilities.

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