# Handout One: Carlos and Sofia's Budget Answer Key

**Name:** _____     **Date:** _____

**Directions:** Calculate the amount Carlos and Sofia will budget for their savings and expenses using the equation $I\left(\frac{p}{100}\right) = A_B$ where *I* is monthly income, *p* is percentage of income allocated to an expense, and $A_B$ is the total amount budgeted to the expense. Circle your answer.

**Income:**

Annual Household Income: $62,843.00

Monthly Income ( *I* ): $5,236.92

**Savings & Expenses:**

Payroll Taxes: 16%

I = $5,236.92

p = 16%

$A_B = \$837.91$

$$\$5,236.92\left(\frac{16}{100}\right) = A_B$$

Savings: 10%

I = $5,236.92

p = 10%

$A_B = \$523.69$

$$\$5,236.92\left(\frac{10}{100}\right) = A_B$$

Housing: 25%

I = $5,236.92

p = 25%

$A_B = \$1,309.23$

$$\$5,236.92\left(\frac{25}{100}\right) = A_B$$

Transportation: 15%

$$\$5,236.92\left(\frac{15}{100}\right) = A_B$$

I = $5,236.92

p = 15%

$A_B = \$785.54$

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Insurance: 12%

$\$5,236.92\left(\dfrac{12}{100}\right) = A_B$

I = $5,236.92

p = 12%

$A_B = \$628.43$

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Food: 9%

$\$5,236.92\left(\dfrac{9}{100}\right) = A_B$

I = $5,236.92

p = 9%

$A_B = \$471.32$

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Utilities: 8%

$\$5,236.92\left(\dfrac{8}{100}\right) = A_B$

I = $5,236.92

p = 8%

$A_B = \$418.95$

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Personal Spending: 5%

$\$5,236.92\left(\dfrac{5}{100}\right) = A_B$

I = $5,236.92

p = 5%

$A_B = \$261.85$

**Check Point:**

Calculate the sum of savings and each expense.  Does the total amount budgeted for savings and expenses equal monthly income?  Yes, $5,236.92 = $5,236.92