

PROJECT: MONTHLY HOUSEHOLD BUDGET

Financial literacy is essential for professional and personal independence. Whether running a small business, a household, or a multi-national organization, tracking income versus expenses is essential for making informed decisions. While mental math or a calculator can handle simple addition, both lack the power to perform calculations on a large scale quickly and efficiently. Utilize the Microsoft Excel skills you have learned to formulate a monthly budget using the dataset below.

Income Sources	Fixed Expenses	Variable Expenses
Primary Job: 3200.00	Rent: 1200.00	Groceries: 450.00
Part Time Job: 850.00	Car Payment: 350.00	Utilities (Electric/Water): 180.00
Freelance Work: 150.00	Insurance: 120.00	Gas: 140.00
	Internet: 65.00	Entertainment: 100.00

1. Data Entry

1. Open a new Excel Workbook.
2. In cell **A1**, type the title “Monthly Household Budget”.
3. In cell **A3**, type the header “Income”.
4. Enter the three Income Sources listed in the dataset into column A (starting at **A4**) and their values into column B.
5. Skip one empty row. In cell **A8**, type the header “Fixed Expenses”.
6. Enter the four Fixed Expenses into column A and their values into column B.
7. Skip one empty row. In cell **A14**, type the header “Variable Expenses”.
8. Enter the four Variable Expenses into column A and their values into column B.

2. Calculations

1. **Calculating Total Income:** In cell **A7**, type “Total Income”. In cell **B7**, use the SUM function to add up your income.
2. **Total Fixed Expenses:** In cell **A13**, type “Total Fixed Exp.” In cell **B13**, use the SUM function to add up the fixed expenses.
3. **Total Variable Expenses:** In cell **A19**, type “Total Variable Exp.” In cell **B19**, use the SUM function to add up the variable expenses.
4. **Total Monthly Expenses:** Skip a row. In cell **A21**, type “Total Monthly Expenses”. In cell **B21**, create a formula that adds your Total Fixed and Total Variable expenses together.
 - **Hint:** Excel can perform basic mathematical operations. Start all formulas with an = sign.
5. **Net Balance:** In cell **A22**, type “Remaining Balance”. In cell **B22**, create a formula that subtracts your Total Monthly Expenses from your Total Income.

3. Formatting

1. **Column Width:** Double-click the line between Column A and Column B at the top of the sheet to “Auto-fit” the width so all text is visible.
2. **Currency:** Highlight all the numbers in Column B. Format the cells as currency, using red font and parentheses for negative numbers.
3. **Headers:** Highlight your section headers (Income, Fixed Expenses, Variable Expenses). Make them Bold and change the Fill Color to Light Blue.
4. **Title:** Highlight cells A1 through B1. Click Merge & Center. Make the font size 16pt and Bold.
5. **Totals:** Make rows 7, 13, and 19 bold.

4. Discussion Questions

1. In cell B21, you used a formula like =B13+B19. Why is it better to use the cell addresses (B13, B19) rather than typing the actual numbers (e.g., =1735+870)?
2. Why did we bother changing the number format to Currency and adding borders? Does it change the math?
3. For the Income section, we only had 3 items. You could have just typed “=B4+B5+B6”. Why is “=SUM()” a better habit to get into?
4. Look at the Remaining Balance. Is this a surplus (extra money) or a deficit (debt)? How do you know?
5. Discuss what a negative number would look like in Excel. Could we use different formatting based on the situation?
6. If this person lost their job and needed to save money quickly, which expense category—Fixed or Variable—is easier to adjust? Why?
7. **The Raise:** You got a promotion! Change the Primary Job (Cell B4) from \$3200 to \$4000. What happened to the Remaining Balance? Did you have to retype the final formula to get the new answer?
8. **The Emergency:** Your car broke down. Add a new row under Variable Expenses called “Car Repairs” for \$800. How does inserting a row affect your formulas for Totals? Did Excel update the range automatically, or did it break?
9. **Percentage Analysis:** Create a formula to calculate what percentage of the Total Income goes toward Rent. (**Hint:** This percentage would be equal to Rent divided by Total Income.)
10. **Visualizing Data:** If you were going to make a Pie Chart of your expenses, would you select the individual items (Rent, Gas, Groceries) or the Subtotals (Total Fixed, Total Variable)? Why might one be better than the other?