Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Problem Set 6.1***

**Step One:** Open up a Microsoft Excel/Google Sheets document. Save it as “Problem Set 6.1”

**Step Two:** Name Sheet 1 “Rachel” and color the tab yellow.

**Step Three:** Read the following information about Rachel

Rachel just graduated from Clemson University. She accepts a job that pays $18.60 an hour and works 40 hours a week. There are several items taken out of her paycheck each week. First, 23% of her wages are taken out for taxes (federal and state). She also has to pay $50 for her heath care plan and she elects to invest 4% into a retirement account. Once taxes, healthcare, and retirement are taken out she sees the total dollars she has to work with each week in the month.

**Step Four:** Build an excel spreadsheet to analyze the money that Rachel’s budget for one month (4 weeks). Make sure your sheet uses formulas so that any change in Rachel’s situation you will still be able to analyze her budget.

**Step Five:** Rachel has several expenses that she has to pay every month, “bills”. She spreads them out into different weeks. All of the expenses are listed in the table below. Reflect them in your excel spreadsheet to analyze the month that Rachel will have after she pays the following bills.

|  |  |  |
| --- | --- | --- |
| Expense | Week Paid | Amount |
| Car Insurance | 1 | $130 |
| Netflix and Hulu | 1 | $20 |
| Amazon Music | 1 | $10 |
| Rent | 2 and 3 | $400 each week (total of $800 a month) |
| Electricity | 2 | 90 |
| Water | 4 | 30 |

**Step Five:** Use your excel sheet to answer the following questions.

1. How much is Rachel’s **paycheck** each week (after she pays taxes, healthcare, and retirement, but before she pays any bills)?

**$493.12**

2. How much money does Rachel have left over at the end of each week after all of her bills have been paid?

Week 1: \_\_\_\_\_\_\_\_**$333.12**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Week 2: \_\_\_\_\_\_\_**$3.12**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Week 3: \_\_\_\_\_\_\_\_\_\_\_**$93.12**\_\_\_\_\_\_\_\_\_\_\_\_\_ Week 4: \_\_\_\_\_\_\_\_\_\_**$463.12**\_\_\_\_\_\_\_\_\_\_\_

3. How much total money will Rachel have each month for food and entertainment? Highlight this cell orange in your sheet.

**Copy the Original Sheet and Name the Tab “Rachel Q4.”**

\*4. How much money will Rachel have at the end of Week 3 once all of her bills are paid if she is paid a wage of $23.40 instead of $18.60.

**$233.28**

**Copy the Original Sheet and Name the Tab “Rachel Q5.”**

\*5. How much money will Rachel have at the end of week 2 if she decides to put 10% into her retirement account each paycheck instead of 4%.

**$-41.52**

**Yikes! It is a good thing she has $288.48 left over in week 1 to cover this loss. Maybe she decides not to save this much after seeing what it does to week 2 in her budget.**

**Copy the Original Sheet and Name the Tab “Rachel Q6.”**

\*6. Rachel gets into small car accident on her way home from work one evening. It doesn’t cause a lot of damage, but she does have to pay a $500 deductible to get her car fixed. Her car insurance will also raise to $165 each month. Will she be able to pay the deductible or will she have to set up a payment plan to pay it back little by little? Explain.

**She will be able to pay the deductible because she has $857.48 extra each month. However, she is going to have to be careful that month on food and spending extra on entertainment. Once she gest past that month her budget won’t be affected too much by the increase in car insurance.**