

Can I afford to move out?

So, you want to live on your own. Do you dream of having your first apartment? Oh, the freedom you'll have ... No one to tell you what to do, when to do it, or how to do it. In theory, it sounds fun. In reality, though, it's work! Latest statistics show that young Americans ages 15 to 25 account for nearly 7% of the nation's personal bankruptcies. Their credit card debt is up 50% from five years ago. The under-30 age group has an average creditcard debt of \$10,000 to \$12,000. Almost 80% of undergraduates have credit cards, with an average balance of \$2,748 on 3.5 cards. So, here's the \$64,000 question: Can you afford to move out -- and stay out? Have you done the math? Complete the following quiz from **On My Own: The Ultimate How-To Guide for Young Adults** to help you decide.

A. Am I independently wealthy? YES _____ NO _____

If YES, you don't need to take the rest of this quiz. If NO, continue with B.

B. Do I have a job? YES _____ NO _____

If YES, continue with C. If NO, how are you going to pay your rent and expenses? Get a job, then continue with C.

C. How much money do I make each month? \$ _____

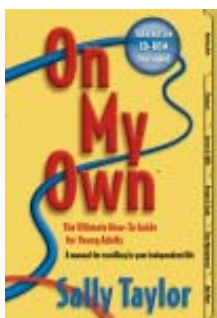
(\$ _____ per hour x _____ hours per week x 4.5 weeks per month)

Now, subtract all of your monthly expenses:

- | | |
|---|---|
| 1. Taxes _____ - \$ _____
(average 25% of paycheck) | 10. Internet connection fee _____ - _____ |
| 2. Investment in myself _____ - _____
(savings/investing - start with 10% of paycheck) | 11. Tuition payment _____ - _____ |
| 3. Rent _____ - _____ | 12. Transportation/Car/Gas payments _____ - _____ |
| 4. Electric payment _____ - _____ | 13. Auto insurance payment _____ - _____ |
| 5. Water payment _____ - _____ | 14. Rental insurance payment _____ - _____ |
| 6. Sewer payment _____ - _____ | 15. Health insurance payment _____ - _____ |
| 7. Trash payment _____ - _____ | 16. Food expenses _____ - _____ |
| 8. Telephone/cell phone/pager payment _____ - _____ | 17. Pet care expenses (food, vet, etc.) _____ - _____ |
| 9. Cable TV payment _____ - _____ | 18. Clothing expenses _____ - _____ |
| | 19. Fun/entertainment expenses _____ - _____ |

Do you have any money left over? _____ \$ _____

If you came up with a negative number, you have a major problem! You have more bills than you can afford to pay. Is there something you can eliminate, such as a cell phone, cable TV, call-waiting, etc.? Can you find a roommate to help pay expenses? Can you live with your parent(s) until you save more money, find a better-paying job, or get more hours at work? Can you find a cheaper apartment with cheaper utilities?



How much rent can you afford? Monthly rent and utilities should cost no more than 30% of your total gross monthly income.

1. My salary: \$ _____/hour x _____ hours/week x 4.5 weeks/month = \$ _____ (Gross Monthly Income).
 2. Gross Monthly Income \$ _____ x .30 = \$ _____ (Total I can afford to spend each month on rent/utilities).