**BUDGETING CASE STUDY**

Thomas is a 17-year-old high school student who works part-time twice a week earning minimum wage. He earns approximately $600 a month.

He lives with his two parents and siblings and he does not have to pay rent. However, he is responsible for paying his monthly phone plan, where he pays $40. To get to school he rides the Skytrain and takes the closest bus route to school, which involves paying $50 a month for a monthly pass. Furthermore, he pays for his own lunches, oftentimes going to McDonald's to get a few junior chickens, which roughly equates to $5.

As a high school student, his main priority is to save up for future aspirations, in doing so he invests $150 every month into his savings account.

In his leisure time, Thomas enjoys going out with his friends to eat at nice restaurants, which totals out to a rough cost of $20

To keep it fresh, he loves getting weekly haircuts from his favourite barber in town, who charges him $15.

**QUESTIONS**:

**In disposable income, Thomas has $80**

**\*consider how much money you have leftover when selecting your answers\***

1. **Thomas currently has a phone plan that gives him 200 minutes of calling and texts with additional benefits of 2 GBS of data. However, he is looking for a loyalty plan that offers an additional 2 GBS of data and unlimited call and text. However, this would cost Thomas an extra $15 a month. Is it worth it for Thomas to change over to this new plan? Explain.**
2. **With Prom around the corner, Thomas is looking to get a nice shirt from Nordstrom. He sees a Polo Ralph Lauren shirt on clearance for $65. Thomas also found a similar-looking shirt from H&M for $40. In hopes of looking nice and fresh for his prom date, which shirt should Thomas choose?**
	1. Nordstrom, because he will look cooler with a brand name shirt on despite the shirt being twice the price of the H&M shirt.
	2. H&M, because it is more affordable and serves the same purpose as the Nordstrom shirt.
	3. Use an old, dirty, and wrinkly shirt from his dad’s closet
3. **Thomas’ friends invite him out to get some Starbucks before they head off to college. Considering how much money he has left to spend, what should he do?**
	1. Stay at home because he has no money
	2. Go to Starbucks and order a cup of iced water, which would cost him nothing
	3. Go to Starbucks and buy a nice drink that would cost him $6
	4. Tell his friends to go somewhere else that would be cheaper