

### Family Budget Calculator Guide

This *Family Budget Calculator Guide* will help you and your adult child determine the additional costs of them living at home, and agree on the share they will pay.

It can help you account for additional costs, a percentage of current costs, or even a combination of both!

This can be a powerful tool for showing your adult child the financial impact they are having on your family budget, and can also help you come to agreement – based on your child’s ability to pay – when you are working on the contract.

#### Step #1: Open the Calculator File

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To start, open the *Family Budget Calculator*. It is a spreadsheet file (also known as an “xls file”), and can be opened in Microsoft Excel (recommended) or a free online tool like Google Docs (<http://docs.google.com>) or Open Office (<http://www.openoffice.org>).

#### Step #2: Gather Budget Information

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Next, you should gather information about your current household costs, and how having your son or daughter live under your roof can impact those costs.

To help you get the most from the *Family Budget Calculator*, here are examples of how to account for different types of expenses.

#### Example #1: Calculating a Percentage of Current Costs

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Let’s use an example: Let’s say your mortgage or rent is \$1,200. So, enter \$1,200 into the **Current Costs** cell, beside **Mortgage or rent**, like this:

Housing	Current Costs	costs to be paid by child	Current Costs to be paid by child	Child's Share
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13

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Unless you've moved to accommodate your adult child, there usually aren't any additional costs, so you can leave the next cell blank.

As part of your Contract, you should have come to an agreement about what percentage, or share, of the rent or mortgage your adult child will pay. Type in this percentage (in this example, it's 10%):

Housing	Current Costs	costs to be paid by child	Current Costs to be paid by child	Child's Share
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13

The *Family Budget Calculator* automatically changes to show the Child's Share of the **Mortgage or rent** (in this case, 10% of \$1,200 = \$120):

Housing	Current Costs	costs to be paid by child	Current Costs to be paid by child	Child's Share
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13

### Example #2: Additional Costs

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Having your adult child live in your home means added costs to your family, and the *Family Budget Calculator* helps you figure out what these additional costs will be (and who should pay for them).

For example, if adding your adult son to your family's health insurance coverage increases the premiums you pay each month (and you've agreed that your adult son will pay the extra amount), here's how you would enter the details:

Let's say your current health insurance premiums are \$97 a month. You should enter \$97 into the **Current Costs** cell, beside **Health**, like this:

Insurance	Current Costs	costs to be paid by child	Current Costs to be paid by child	Child's Share
Home	\$0	\$0	0%	\$0
Health	\$97	\$52	0%	\$52
Life	\$0	\$0	0%	\$0

Next, enter the additional expense of having your child added to your policy (in this example, \$52) in the **Additional costs to be paid by child** cell beside **Health**, like this:

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<b>Insurance</b>				
Home	\$0	\$0	0%	\$0
Health	\$97	\$52	0%	\$52
Life	\$0	\$0	0%	\$0

Since you probably don't expect your adult child to pay any part of your original premium, you can leave the next cell blank.

The *Family Budget Calculator* automatically changes to show the child's share of the **Health Insurance** cost, in this case, \$52:

<b>Insurance</b>				
Home	\$0	\$0	0%	\$0
Health	\$97	\$52	0%	\$52
Life	\$0	\$0	0%	\$0

**Example #3: Percentage of Current Costs and Additional Costs**

In some cases, having your adult child at home means extra costs to your family, and you've decided that the adult child should contribute to the base amount, since they are using your resources (like your phone or TV).

Let's say your adult daughter has friends who live far away. To keep in touch, you've added a \$10 per month long distance package to your telephone service, which your adult child has agreed to pay.

Enter \$10 into the **Additional costs to be paid by child** cell beside **Phone**, like this:

	Current Costs	Additional costs to be paid by child	Percentage of Current Costs to be paid by child	Child's Share
<b>Housing</b>				
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13
Electric	\$0	\$0	0%	\$0

As part of your Contract, you may have also come to an agreement what percentage, or share, of the main (**Current Costs**) phone bill your adult child will pay. Type in this percentage (in this example, it's 10%):

	Current Costs	Additional costs to be paid by child	Percentage of Current Costs to be paid by child	Child's Share
<b>Housing</b>				
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13
Electric	\$0	\$0	0%	\$0

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The *Family Budget Calculator* automatically changes to show the Child's Share of the **Phone**, which includes an additional **\$10 a month**, plus **10% of the Current Cost** (in this case, 10% of \$25 plus the \$10 long distance package = \$13):

Housing	Current Costs	Additional costs to be paid by child	Percentage of Current Costs to be paid by child	Child's Share
Mortgage or rent	\$1,200	\$0	10%	\$120
Phone	\$25	\$10	10%	\$13
Electric	\$0	\$0	0%	\$0

### Step #3: Viewing Totals, and Making Adjustments

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As you fill in each section of the *Family Budget Calculator*, it will automatically total not only your **Current Household Costs**, but also your **Child's Monthly Contribution**, and show you each in the top left corner of the page:

Family Budget Calculator	
Current Household Costs	\$4,082
Child's Monthly Contribution	\$308

If your **Child's Monthly Contribution** is higher than they are currently able to pay, then you can go back together and negotiate which expenses (or percentage of expenses) can be adjusted to reflect a more realistic contribution they can afford to make.

Since this *Family Budget Calculator* can be used over and over again, you can revisit and recalculate these amounts as your child's financial picture changes.

Even if you have decided to cover all or most of your child's additional expenses, this can be a great tool to get them to acknowledge that there's no such thing as a "free ride."