## Cost of Living Activity

*People can afford home costs when they are 30% or less of gross income*

Balance your budget: What can you afford after rent, utilities and groceries? (Non-negotiables)

<table>
<thead>
<tr>
<th>INCOME</th>
<th>APPROX</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>$11.71/hour ft ($24,356/year)</td>
<td>$2,030</td>
</tr>
<tr>
<td>Deductions</td>
<td>401K</td>
<td>$0</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td></td>
<td>($406)</td>
</tr>
<tr>
<td>TOTAL NET INCOME</td>
<td>$1,624</td>
<td></td>
</tr>
</tbody>
</table>

### Expenses

- **Communication**: Cell phone, TV & internet - $100
- **Child – Each**: Childcare - $800
  - Diapers/Formula - $100
  - School, activity fees, lessons - $50
- **Clothing**: Basic clothing, coats, shoes, socks, etc. - $40
- **Debt**: Credit card and loan payments - $100
- **Education**: Student Loans - $140
- **Entertainment**: Streaming service, hobbies, books, music, movies - $50
- **Food**: Groceries and household supplies - $300
- **Health**: Medical - $70
  - Gym membership, vitamins - $50
- **Home**: Rent 2 bedroom - $927
  - Utilities - $100
- **Miscellaneous**: Gifts - $20
  - Pet care - $30
  - Travel - $100
- **Savings**: Savings/Emergency Fund - $100
- **Transportation**: Auto gas, maintenance, registration, insurance - $200

### Summary

- **TOTAL MONTHLY INCOME**: $1,624
- **NON-NEGOTIABLE SUBTOTAL**: - $1,327
- **REMAINDER**: = 297
- **TOTAL POSSIBLE MONTHLY EXPENSES**: $3,277
- **BALANCE**: ($1,653)

---

1) 2019 Missoula Housing Report – Missoula Organization of Realtors
2) 2019 Out of Reach Report – National Low Income Housing Coalition
Our Communities are Stronger When Every Person Can Afford a Safe, Healthy Home

Did You Know?
- Montana ranks 48th in Average Annual Pay and 44.4% of Montanan renters are cost burdened, meaning they pay more 30% for their home costs (https://scorecard.prosperitynow.org/).
- Minimum wage in Montana is $8.65 an hour.

How Did You Feel?
- Do you realize that this worksheet didn’t allocate any money for your retirement?
- Did you notice that the rent plus utilities on the worksheet when making $11.71/hour was 51% of your monthly gross income (not 30% or less, which is the definition of home costs being affordable)?
- What sort of choices did that force you to make? What items did you want to select but couldn’t afford?
- If you were paying about $300 less per month for your home, what sort of choices could you make?

Strengthening Montana Communities

Homeword uses sustainable methods to strengthen Montana communities by teaching homebuyer education and financial skill building and creating safe, healthy homes people can afford

25 Years
13 Communities
30 Properties
1,244 Homes (+75 under construction) for 2,000+ Montanans ($3M annual resident savings)
15,500+ People Empowered (through HomeOwnership Center Programs)

Regional HomeOwnership Center
1,182 Montanans Empowered FY19*
Onsite classes, individual coaching and offsite workshops

Homebuyer Education Classes & Coaching
Financial Education Classes & Coaching
Financial Workshops
Rent Wise Workshops & Coaching
638
369
53
122

625+ children
46 Veterans
30 seniors
Parents of over 625 children were empowered to make wise decisions
46 Veterans were provided with important homebuying, rental and financial information
30 seniors learned homebuyer and financial skills to help them meet their goals

Homebuying in Missoula
$315,000 Median Home Price
$104,155 Income to Afford Mortgage
$75,940 Median Homeowner Income

Renting in Missoula
$927 Median 2 Bedroom Rent
$37,080 Income to Afford Rent
$29,793 Median Renter Income