

Analyzing a Budget

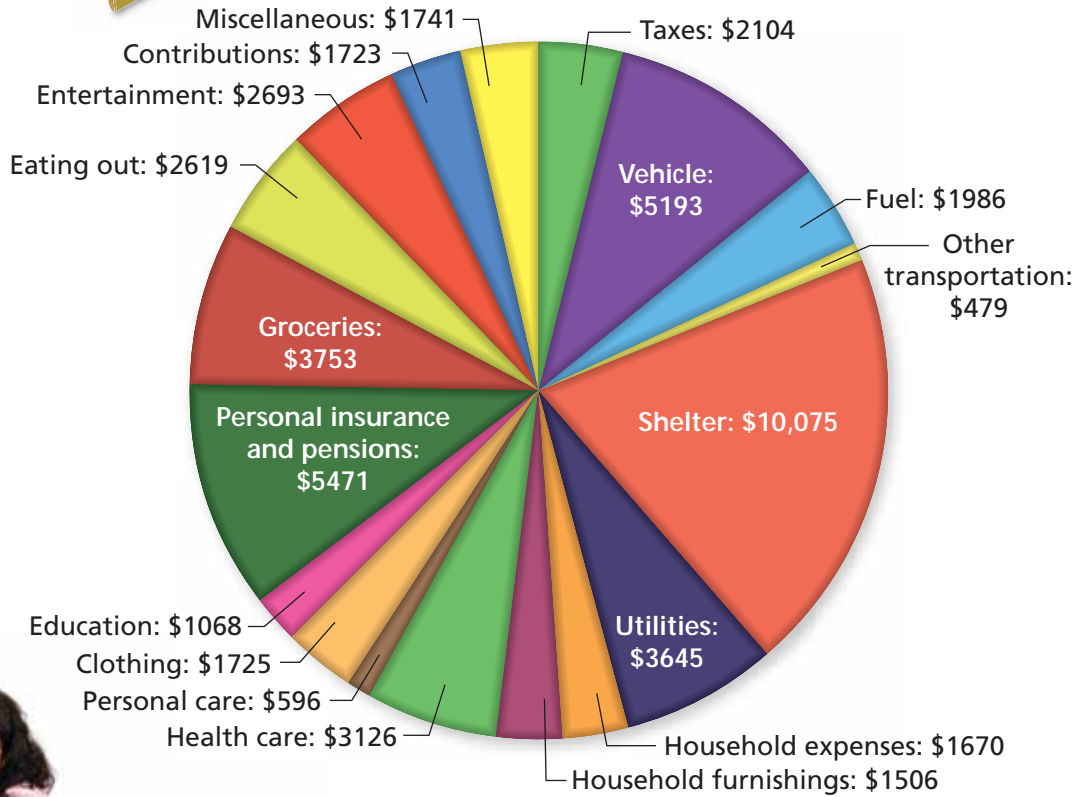
EXAMPLE 5 Analyzing Annual Expenses

The circle graph shows the average annual expenses for a U.S. household, according to the Department of Labor. What percent of the expenses are spent on taxes and shelter?

SOLUTION



Average Annual Expenses for a U.S. Household



The total of the expenses is \$51,173.

$$\frac{\text{Taxes} + \text{Shelter}}{\text{Total expenses}} = \frac{2104 + 10,075}{51,173}$$

$$\approx 0.238$$

$$= 23.8\%$$

The average household spends about 23.8% on taxes and shelter.



In the Department of Labor's survey, the average household had 2.5 members and 1.3 wage earners.



What percent of the expenses are spent on transportation? on food?

