

Handout #6 » A Family Budget

A Family Budget

This is a budget for a family of four in Milwaukee County (two parents with one pre-schooler and one school-age child). Both parents are working and earning \$8.80/hr. (above the \$7.25 minimum wage). Look at your monthly expenses below. You are fortunate that you have state subsidized childcare and family to help take care of your children, and you have health insurance provided through your job. You are making payments on a 10 year old car (which you must have for work); the other adult needs to use the bus to get to work. Imagine that you are the mother or father in the family. Like many parents, you will have to make decisions about how to spend your money. Using the scenarios listed below, rework your family budget to compensate for events that happen in your life. Remember that you must pay rent (otherwise you become homeless). You also have no retirement or savings.

Expenses	Current Budget	YOUR Adjusted Budget
Rent for 2-bedroom apartment	\$ 858.00	
Phone (no long distance)	40.00	
Electricity / Gas	80.00	
Water	20.00	
Transportation (car payment, gas, insurance, repairs, + bus pass)	536.00	
Medical Care	0.00	
Clothing	60.00	
Subsidized Child Care	220.00	
Groceries	713.00	
Personal Care, Cleaning Supplies, School Supplies	60.00	
Entertainment / Vacation	0.00	
Total Expenses	\$ 2587.00	
Monthly Income (after taxes)	2610.00	
Left over	\$ 23.00	

- Scenario #1** Your youngest child gets sick and you take him/her to the doctor. The co-pay on the doctor visit, tests, and medications cost around \$200 dollars. How will you pay the medical bill?
- Scenario #2** Your mother gets very sick. You need to care for her so you have to miss 4 days of work. This means that you lose \$280 this month.
- Scenario #3** You experience a cold snap and your electricity bill goes up by \$75 dollars. How will you pay the bill this month?