

Cutting The Family Budget

Eric and Marcy Weston have been married less than two years. When they finished school, they were both able to find good jobs so money hadn't been a real issue. But things have suddenly changed. Neither has lost their jobs, but both have had their hours cut. As a result, they would like to cut their monthly spending by 20%.



1. The table below shows the amounts they spent in a month before their income was cut. Compute their total spending for the month and enter it at the bottom of the table.

Monthly Spending		Yes/No	
Rent	\$850.00	_____	\$ _____
Water and Sewer	0.00		
Trash	0.00		
Electricity	155.24	_____	_____
Cell Phones (2 plans)	140.00	_____	_____
Internet	45.00	_____	_____
Cable TV	85.00	_____	_____
Vehicle Payments:			
Car	352.40	_____	_____
Truck	373.28	_____	_____
Vehicle Insurance	269.40	_____	_____
Vehicle maintenance	34.82	_____	_____
Food:			
Groceries	285.42	_____	_____
Dining out /Bringing in.....	342.54	_____	_____
Entertainment.....	231.98	_____	_____
Clothing.....	125.64	_____	_____
Student Loan Payments	350.00	_____	_____
Credit Card Payments:			
Minimum Payments	137.50	_____	_____
Additional Payments.....	100.00	_____	_____
Personal Care:			
Manicure and Pedicure	65.00	_____	_____
Haircuts and Styling.....	75.00	_____	_____
Uncovered Medical Costs.....	58.23	_____	_____
Miscellaneous Household Items..	122.47	_____	_____
Savings.....	200.00	_____	_____
TOTAL SPENDING	\$ _____		\$ _____

2. Calculate 20% of their total spending for September.

Total Spending x .20
\$

3. In the Yes/No column of the table, write Yes or No based on whether you believe they can make a short term adjustment to their spending.

4. In the last column of the table, enter the amount you think they should spend in each category to meet their 20% goal.

5. Do you think it is reasonable for them to cut their spending by 20% in the short run? Why or why not?

Name: Period: