



Family Prosperity Services
Servicios de Prosperidad Familiar

Budgeting Exercise

The following exercise is an example of how to create a household budget for a family of 4. The X family has 4 members 2 working parents and 2 children ages 3 and 8.

Income

The 2 adults work full time.

Adult 1: 40 hrs/week \$14.00 an hour after taxes

Adult 2: 30 hrs/week \$16.00 an hour after taxes

Expenses

Rent:

The family pays \$1200 a month for rent for a 2 bedroom apartment

Utilities:

They have a payment plan of \$120 a month for gas

The electricity bill during winter is \$60 and \$120 during the summer

The phone bill for 2 lines is \$120

Cable and Internet with a basic plan \$85

Transportation:

They own 1 car that is paid off, insurance is \$150 a month

Gasoline \$120 a month

They buy a T-Pass monthly \$84

Health related:

Health insurance for the adults is \$140 a month

Prescriptions \$30 a month

Food:

They do a big grocery run at Costco one a month and spend \$230

They buy fresh food at a local grocery store weekly and spend on average \$50 every time



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Childcare:

The cost of weekly childcare for their younger child is (subsidize) is \$ 102.5 (\$410/month)
After school activities \$100 / month

Clothing:

The family spends an average of \$100 a month on shopping for clothing and others.

Personal Care:

Hair salon, haircuts and others \$120/month
Cosmetics and others \$30/month

Wants:

Restaurants once a week \$60 (\$240/month)
Take out \$25/week (\$100/month)
Entertainment (movies, museums, parks, others) \$100/month
Miscellaneous expenses \$50/month

Loans:

They have 2 credit cards and the minimum payments for both are \$60
They have 1 student loan with a monthly payment of \$35

Questions:

- How much can the family save every month?
- Do any of the information on this exercise surprise you?
- What goals do you think this family has?
- What values do you see reflected on this budget?
- Do you think there are any missing expenses?
- What changes can you make for the family to start saving extra money?

