



## Activity #3

**\*Appropriate for 4<sup>th</sup> grade and above - can be adapted for younger audiences.**

### Family Budgets

#### **Description:**

Participants will be given different family scenarios and will determine how much money they have left over for food after paying basic expenses. They will also identify the other expenses that families have beyond the basic expenses of rent, transportation, and they will discuss each scenario's impact on food security.

#### **Objective:**

- Increase awareness about the gap that often exists between wages and expenses.
- Begin to explore the various government and community responses to marginal, low and very-low food security.

#### **Materials:**

- Copies of *Family Scenarios* (see below),
- Copy of *Possible Government Responses to Budget Scenarios*,
- Pencils,
- calculators (optional).

#### **Time:**

30-45 minutes

#### **Activity Directions:**

- Depending on the size of the group, divide the group into smaller groups of 2-3 people.
- Give each group a different family scenario. Each scenario will describe a household and the household income.

- Ask each group to add up all their **expenses** and subtract these from their **starting income**. The amount left over is the income they can use toward food and other expenses.
- Have each group brainstorm what other expenses a family might have. *For example, diapers, cleaning supplies, car repair, etc.*
- After they have completed this, have each group share their scenario.

## FAMILY SCENARIO #1

### ❖ WHO YOU ARE

- **You are a 2 parent family with 3 children who are ages 1, 4 and 7**
- One parent works full-time for **\$7.25** per hour (minimum wage).
- One parent works full-time for **\$8.00** per hour.
- **\$2,360.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$675.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$210.00</b>
3. <b>Transportation</b> for public transportation	<b>\$120.00</b>
4. <b>Childcare</b> for 1 in daycare, and 2 in after school	<b>\$660.00</b>
5. <b>Medical</b> no health insurance, all healthy this month	<b>\$00.00</b>
6. <b>Taxes</b> for state, Medicaid and SS withholdings	+ <b><u>\$261.53</u></b>
Total of expenses	_____
Monthly income	<b>\$2360.00</b>
Minus total of expenses	- _____
Amount left over for food	_____

- ❖ If you subtract the total of your expenses from your monthly income how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #2

### ❖ WHO YOU ARE

- You are a single parent family with 3 children who are ages 3, 6 and 10.
- You work full-time for **\$8.00** per hour.
- **\$1,280.00** is your monthly income

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$650.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$175.00</b>
3. <b>Transportation</b> for public transportation	<b>\$ 60.00</b>
4. <b>Childcare</b> for 1 in daycare, and 2 in afterschool	<b>\$770.00</b>
5. <b>Credit Card</b> Minimum payment	<b>+<u>\$120.00</u></b>

Total expenses \_\_\_\_\_

Monthly income **\$1,280.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #3

### ❖ WHO YOU ARE

- You are a single parent family with 3 children who are ages 2, 4 and 8.
- You work full-time, for **\$15.00** per hour.
- **\$2,400.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$880.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$210.00</b>
3. <b>Transportation</b> for car note, gas, and insurance	<b>\$390.00</b>
4. <b>Childcare</b> for 2 in daycare, and 1 in after school	<b>\$875.00</b>
5. <b>Medical</b> for health insurance	<b>\$206.00</b>
6. <b>Taxes</b> for state and federal withholdings	<b>+ \$300.00</b>

Total expenses \_\_\_\_\_

Monthly income **\$2,400.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #4

### ❖ WHO YOU ARE

- **You are a widowed parent with 5 children who are ages 2, 6, 7, 10 and 12.**
- You work full-time, for **\$8.00** per hour, and you have another part-time job at night earning **\$7.50** per hour.
- **\$1,880.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 3 bedroom apartment	<b>\$800.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$160.00</b>
3. <b>Transportation</b> for public transportation	<b>\$ 60.00</b>
4. <b>Childcare</b> for 1 in daycare and 4 home alone after school	<b>\$400.00</b>
5. <b>Medical</b> for health insurance and two prescriptions	<b>\$200.00</b>
6. <b>Taxes</b> for state and federal withholdings	<b>+ \$180.00</b>

Total expenses \_\_\_\_\_

Monthly income **\$1,880.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #5

### ❖ WHO YOU ARE

- **You are a single parent family with 2 children who are ages 1 and 8.**
- You work full-time, for **\$7.25** per hour.
- **\$1,160.00** is your monthly income

### ❖ Expenses

1. <b>Rent</b> for a 1 bedroom apartment	<b>\$650.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$100.00</b>
3. <b>Transportation</b> for public transportation	<b>\$ 60.00</b>
4. <b>Childcare</b> for 1 in daycare, and 1 in after school	<b>\$300.00</b>
5. <b>Medical</b> for state funded health insurance	<b>\$ 85.00</b>
6. <b>Taxes</b> for state and federal withholdings	+ <b><u>\$102.23</u></b>

Total of expenses \_\_\_\_\_

Monthly income **\$1,160.00**

Minus total of expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #6

### ❖ WHO YOU ARE

- **You are an elderly person living on a fixed income of Social Security.**
- **\$800.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a studio apartment	<b>\$500.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$120.00</b>
3. <b>Transportation</b> public transportation	<b>\$ 45.00</b>
4. <b>Childcare</b> (no kids)	<b>\$ 00.00</b>
5. <b>Prescriptions</b> not covered by Medicare	<b><u>+\$275.00</u></b>

Total expenses \_\_\_\_\_

Monthly income **\$800.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #7

### ❖ WHO YOU ARE

- **You are a two parent family with 2 children who are ages 2 and 4.**
- One parent works full-time for \$9.00 per hour. One parent works full-time for \$7.50 per hour. **\$2,640.00** is your monthly income

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$706.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$200.00</b>
3. <b>Transportation</b> for car note, gas, and insurance	<b>\$340.00</b>
4. <b>Childcare</b> for 2 in daycare	<b>\$750.00</b>
5. <b>Medical</b> kids get flu- doctor visits, missed work	<b>\$220.00</b>
6. <b>Taxes</b> for state, federal, Medicaid, SS withholdings	+ <b><u>\$307.19</u></b>
Total of expenses	_____
Monthly income	<b>\$2,640.00</b>
Minus total of expenses	- _____
Amount left over for food	_____

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #8

### ❖ WHO YOU ARE

- **You are a two parent family with 1 child who is age 4.**
- One parent works full- time, one works 30 hours per week, both work for the federal minimum wage of \$7.25 per hour.
- **\$2,320.00** is your monthly income

### ❖ Expenses

1. <b>Rent</b> for a 1 bedroom apartment	<b>\$575.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$175.00</b>
3. <b>Transportation</b> for public transportation	<b>\$120.00</b>
4. <b>Childcare</b> for 1 in daycare	<b>\$500.00</b>
5. <b>Medical</b> child has ear infection - missed work	<b>\$206.00</b>
6. <b>Winter clothes</b>	<b>+\$ 75.00</b>

Total expenses \_\_\_\_\_

Monthly income **\$2,320.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #9

### ❖ WHO YOU ARE

- **You are a 2 parent family with 3 kids who are 3, 9 and 12. Your oldest child has asthma that requires frequent medical attention and medication.**
- One parent works full-time for **\$7.25** per hour (minimum wage).
- One parent works full-time for **\$10.00** per hour.
- **\$2,760** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$775.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$210.00</b>
3. <b>Transportation</b> for public transportation	<b>\$120.00</b>
4. <b>Childcare</b> for 1 in daycare	<b>\$660.00</b>
5. <b>Medical</b> for a family has no health insurance (This month's medical expenses include medicine)	<b>\$175.00</b>
6. <b>Taxes</b> for state, Medicare and SS withholdings	<b>+ \$370.00</b>

Total of expenses \_\_\_\_\_

Monthly income **\$2,760.00**

Subtract total of expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income how much money do you have left to purchase food? What are the other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, birthday presents, holidays, shoes, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #10

### ❖ WHO YOU ARE

- You are a single parent family with 3 children who are 3, 6 and 10.
- You work full-time for **\$10.50** per hour.
- **\$1,680.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$650.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$216.00</b>
3. <b>Transportation</b> for public transportation	<b>\$ 60.00</b>
4. <b>Childcare</b> for one in daycare.	<b>\$575.00</b>
5. <b>Credit Card</b> for minimum payment	<b>+\$120.00</b>

Total expenses \_\_\_\_\_

Monthly income **\$1680.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income how much money do you have left to purchase food? What are the other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, birthday presents, holidays, shoes, dental care, laundry soap, etc.
  - What are some other things you can think of?

## FAMILY SCENARIO #11

### ❖ WHO YOU ARE

- **You are a single parent family with 3 kids who are ages 2, 4 and 8.**
- You work full-time for **\$16.00** per hour.
- **\$2,560.00** is your monthly income.

### ❖ Expenses

1. <b>Rent</b> for a 2 bedroom apartment	<b>\$700.00</b>
2. <b>Utilities</b> for electricity, gas, water and phone	<b>\$180.00</b>
3. <b>Transportation</b> for public transportation	<b>\$60.00</b>
4. <b>Childcare</b> for 2 in daycare, and 1 in after school	<b>\$1,075.00</b>
5. <b>Medical</b> for state funded health insurance for kids	<b>\$206.00</b>
6. <b>Taxes</b> for state and federal withholdings	<b>+ \$300.00</b>

Total expenses \_\_\_\_\_

Monthly income **\$2560.00**

Subtract total expenses - \_\_\_\_\_

Amount left over for food \_\_\_\_\_

- ❖ If you subtract the total of your expenses from your monthly income, how much money do you have left to purchase food? What are the other things that this family would need to purchase monthly? Are there expenses on your list that (even before buying food) you won't have money to pay? Which bills are the most important to pay?
- ❖ What are additional expenses that families need to consider? For example:
  - Car payments and insurance when people do not live in an area that offers public transportation, birthday presents, holidays, shoes, dental care, laundry soap, etc.
  - What are some other things you can think of?

## Discussion Questions

- Is it surprising to any of you that people working full-time earning a variety of wages - from minimum wage to significantly higher - would not have enough money to buy food?
- What other necessary items did you list that these families would need each month? *Many of the families in this activity did not have enough income to pay for basic expenses. This makes it difficult, if not impossible, to purchase a wide range of other necessities including cleaning supplies, toiletries, vitamins, laundry soap and services, dental care, field trips, etc.*
- There are both community and government responses to hunger and poverty, let's brainstorm some of them: *Community responses would include non-profit organizations like the Salvation Army, pantry programs and food banks that distribute groceries, Goodwill Industries, etc. Government responses to hunger include the Federal Nutrition Programs, such as Supplemental Nutrition Assistance Program (SNAP - formerly Food Stamp Program), Women, Infant, Children (WIC), School Lunch, etc. (See Food Bank Glossary and our list of websites to learn more about community and government responses to hunger and poverty!) Additionally, the Earned Income Tax Credit (EITC) is a federal tax credit for working families earning under \$49,000/year. It actually lifts some families out of poverty.*
- How could food stamps help some of the families in this activity? *Many of these families have no money left over for food. Food stamps increase access to nutritious food, providing an opportunity to pay for other household necessities, etc.*
- What are some of the challenges faced by working families trying to access food stamps, EITC, or other programs? *Challenges could include: lack of awareness and/or misconceptions about government programs; stigma, time and lack of transportation often create barriers to access; and administrative red tape, such as lost applications, etc. during the application process.*
- In the 1970s, a person earning minimum wage could feed their children and pay for housing. What has changed? *Expenses like housing, healthcare, food and fuel have all skyrocketed. Wages have not kept up with the cost of living. An increasing number of people don't have health care coverage with work (and health care bills are now the leading cause of personal bankruptcy in the United States). The increasing costs of housing and childcare have made it impossible for a low to middle wage earner to afford basic needs. Food gets cut with the pressure to pay for housing. A minimum wage earner would have to work over 100 hours/week to be able to begin to afford fair market rents in Atlanta.*