

Name \_\_\_\_\_ Period \_\_\_\_\_

## BUDGET FOR A YOUNG MARRIED COUPLE

Sam and Sue were married shortly after they graduated from technology school. They planned a budget, but it is difficult to save money for their future goals. They want to take a vacation in 6 months. The travel agent has told them about a 3-day trip to Disney World that includes hotel and airfare for \$1200. They would like to take an additional \$500 for meals and entertainment expenses. The total they would need for the trip is \$1700.

Using the figures below, complete the monthly budget form on the following page. First list the Planned budget amounts that Sam and Sue decided upon. Then list the actual expenses they had during the month in the column marked Actual. Decide whether each item is a fixed expense (those which are a specific amount each month) or a flexible expense (those which vary in amount each month). List each amount in the appropriate place on the budget form. Sam and Sue's combined net monthly income is \$1700.

Sue and Sam's budget includes the following items:

Rent	\$395	Personal Care	\$90
Electricity	\$30	Gas and oil	\$70
Car Payment	\$225	Medical care	\$30
Telephone	\$35	Entertainment/Leisure	\$200
Clothing	\$125	Gifts/Contributions	\$80
Car insurance	\$50	Food	\$260
Life insurance	\$20		

Sue and Sam's actual expenses for this month were:

Rent	\$425	Personal Care	\$98
Electricity	\$23	Gas and oil	\$86
Car Payment	\$225	Medical care	\$50
Telephone	\$42	Entertainment/leisure	\$135
Clothing	\$195	Gifts/Contributions	\$56
Car insurance	\$50	Food	\$260
Life insurance	\$20		



1. How much money will Sue and Sam have to save each month in order to meet their goal for their vacation? \_\_\_\_\_

2. How would you revise their budget in order for them to take their vacation? Write your revised budget in the last column on the budget form.

3. Were there any items that you revised upwards? If so, list them and explain why.

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4. What items can Sue and Sam cut back on? List the items and explain why.

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5. Do you really think Sue and Sam will be able to take the vacation they have planned?

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6. Sam and Sue would like to buy another car. If they don't take their vacation, can they do it? Explain the revisions you would make.

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7. If Sue gets pregnant next month, how will their expenses change?

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8. Financial experts suggest saving 10% of your take-home pay. How would you change their original budget to make this change possible?

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