

BUDGET FOR A YOUNG MARRIED COUPLE

John and Mary 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 John and Mary decided on. 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.

John and Mary's current budget includes the following items (**Planned Expenses**):

Rent	\$395	Personal Care	\$90
Electricity	\$30	Gas and oil	\$110
Car Payment	\$225	Medical care	\$30
Telephone	\$35	Entertainment/Leisure	\$200
Clothing	\$125	Gifts/Contributions	\$80
Car insurance	\$50	Food	\$260
Life insurance	\$20		

John and Mary's actual expenses for this month were (**Actual Expenses**):

Rent	\$425	Personal Care	\$98
Electricity	\$23	Gas and oil	\$126
Car Payment	\$225	Medical care	\$50
Telephone	\$42	Entertainment/leisure	\$135
Clothing	\$195	Gifts/Contributions	\$56
Car insurance	\$50	Food	\$260
Life insurance	\$20		

Name _____

Period _____

MONTHLY BUDGET

Monthly Net Income: _____

	Planned	Actual	Amount Over (+)	Amount Under (-)	Revised Budget
Fixed Expenses					
Flexible Expenses					
Savings					

Totals					
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After all items have been listed, total both columns to see whether John and Mary went over or were under their budget for the month. In the column marked "Amount Over and Amount Under," determine how much they went over or under their budget in each expense category.

Monthly Budget Questions

1. How much money will John and Mary 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.

4. What items can John and Mary cut back on? List the items and explain why.

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

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

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

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