

Handle Your Money

Amy and Jason were getting married in five months. They were working on a budget that they could live on after they were married. They were both working and had a monthly income of \$1,800. After the wedding, Jason would start his second year in training. His training program cost \$6,000 a year. He already owed \$6,000 on the first year. The local community college had the same training program for only \$700 per year. But Jason didn't think it was as good.

Amy was working full time in a bank. She had \$600 in her savings account. Amy still owed \$350 on a credit card. She was also paying her parents \$500 for her wedding dress. She drove an older model Toyota. It had great gas mileage and the insurance was only \$120 per month. Jason had a beautiful truck with payments of \$350 a month and \$160 per month insurance. It would cost him about \$130 a month on gas to get back and forth to work.

They would like to get an apartment near the Auto Technology training center where Jason was training. The apartments were within walking distance of the bank. Amy would not need to drive every day. They really wanted a two-bedroom rental for \$1,000. The one-bedroom apartments were \$850 a month, but were very small. Their budget included the following items:

Rent for two-bedroom:	\$1,000
Utilities:	\$130
Jason's truck:	\$450
Insurance:	\$280
Amy's credit card:	\$75
Jason's school loan:	\$90
Amy's wedding dress:	\$50
Groceries & eating out:	\$300
Gas & oil for two cars:	\$190

Total: \$2,565



1. What is the difference in their monthly income and the amount in their budget? _____
2. Name three ways they could reduce their monthly budget:
 - 1.
 - 2.
 - 3.

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Amy and Jason knew their monthly income of \$1,800 would stay the same. They would not get raises for at least six months. Amy and Jason talked about his training program that cost \$6000 a year. The community college training program was only \$700 per year, but Jason was set on going to the private training program. They decided to keep that in their budget.

Jason asked Amy if she would pay off her credit card and her wedding dress with \$600 savings account. Then they could start saving again and build up the account. This cut their monthly expenses by \$125. They talked about Jason's truck payments of \$350 a month and \$110 per month insurance. It would cost him about \$80 a month for gas to get back and forth to work. If he sold the truck, they could save \$540 a month and he could drive Amy's car for a while. Jason loved his truck and wanted to think about it.

They knew they could save \$150 if they took a one-bedroom apartment. When looking at their food expenses, they thought of a way to save \$75 a month. They would only go out once a week for pizza or burgers. They also would like to save at least \$100 per month. They knew they needed to save at least \$50 a month for emergencies. Their second budget included the following items:

	1st Budget	2nd Budget	3rd Budget
Rent/two-bedroom:	\$1,000	\$850	
Utilities:	\$130	\$130	
Jason's truck:	\$450	\$450	
Insurance on two cars:	\$280	\$280	
Amy's credit card:	\$75	\$0	
Jason's school loan:	\$90	\$90	
Amy's parent loan:	\$50	\$0	
Groceries/eating out:	\$300	\$225	
Gas & oil/two cars:	\$190	\$190	
Savings:		\$100	
Emergency:	0	\$ 0	\$50
Total:	\$2,565	\$2,315	

1. What is the difference in their monthly income and the amount in their second budget? _____
2. Make a third budget that will fit their monthly income by helping Jason and Amy make different decisions about how they will spend their money.

