

Budgeting for Poverty

Right now in America, nearly thirty-seven million Americans are living below the poverty line.

That's one in eight of us... barely hanging on.

What is the poverty line?

According to the federal government, a family of four earning less than \$20,614... is living in poverty.

But how far does \$20,614 go... in America today?

How do you budget?

What do you leave out?

You make the hard choices.

Housing? In America, a family of four earning less than \$20,614 a year will spend... on average... \$5,756 annually for the most basic of shelter.

$$\begin{array}{r} \$20,614 \\ -\$5,756 \\ \hline \$14,858 \end{array}$$

Utilities? To keep a family of four warm and secure, the average expense for utilities and public services runs \$2,656 a year.

$$\begin{array}{r} \$14,858 \\ -\$2,656 \\ \hline \$12,202 \end{array}$$

Transportation? A family at the poverty line will spend \$5,330 a year to own and maintain a used car... and fill it with the gas and oil needed to go to work, to day care, to the store.

$$\begin{array}{r} \$12,202 \\ -\$5,330 \\ \hline \$6,872 \end{array}$$

Food? Even with public assistance... such as food stamps... families making less than \$20,614 will spend \$4,064 a year for food at home and away.

\$6,872
-\$4,064
\$2,808

Health Care? Even if an employer contributes part of the costs of health insurance... a family of four at the poverty line would still pay on average \$2,329 a year for health and medical expenses. The cost of not having health insurance, however... could be devastating.

\$2,808
-\$2329
\$479

Child Care? Even with child care subsidies, low income families with two small children will spend on average \$2,600 a year on child care.

\$479
-\$2600
-\$2121

So now you're **\$2121** over budget...

And you still don't have everything you need.

What will you have to let go?

Toiletries, School Supplies, Shoes, Clothes, Holiday Gifts, Education, Life Insurance, Furnishings, Recreation, Cleaning Supplies, Entertainment, Birthday Gifts?

When you're living in poverty... trying to hang on... these are the decisions you have to struggle with... every day.

Visit povertyusa.org to learn more.

Source of Statistics:

Housing, utilities, transportation, food, health care: *Consumer Expenditures Survey*, U.S. Department of Labor, Bureau of Statistics, February 2007

Child care: *Expenditures on Children by Families*, United States Department of Agriculture, Center for Nutrition Policy and Promotion, April 2007

Poverty threshold: U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2006*