

Case Study #3 Paula

Paula is a 29-year-old divorced woman who has two little boys, Sam (3) and Tommy (6 months). She works as a CPA in a little town, 6 miles from her small house in the country. Paula shops at the small, local grocery store most of the time.

Once a month she tries to get to the city, 55 miles away, that has a variety of shopping options. Paula confessed that she is often short of money, so when she goes to the city, she can rarely buy in quantity and stock up. When I asked Paula about car expenses, she told me everything was expensive to fix on her car and proudly showed me her 3-year-old Cadillac Seville.

When I arrived at her home I noticed that she was also interested in home decorating. There were many interesting objects of art and crafts on her walls and sitting around on shelves and tabletops. She also has 3 outside dogs, a kitten that plays in and out of the house and a bird in a cage.

When I asked Paula where she shops for her pet supplies she said WalMart when she can get to the city, otherwise the small, local store. Paula said her sister helps watch the kids when she is at work and she tries to pay her sister \$50 a week to help cover expenses. Also, in return for the childcare, Paula does the books for her brother-in-laws' independent dump truck business.

- 1) When you look at Paula's budget and learn about her life, what do you think is important to Paula?
- 2) What items in Paula's budget do you feel are important to address?
- 3) How would you approach, introduce your budget concerns to Paula?
- 4) What adjustments can be made to balance this budget?
- 5) What suggestions would you make to Paula about her budget?

Name PAULA

Month _____

Money Plan

		Income Week 1	Income Week 2	Income Week 3	Income Week 4
INCOME	\$3520.00	\$1260 Paycheck	\$500.00 Child Support	\$1260.00 Paycheck	\$500.00 Child Support
Date:		1 st	10 th	15 th	24 th
FIXED EXPENSES					
Mortgage	\$450.00				
Taxes (\$1260)	105.00				
House Insurance (\$242.00)	20.00				
Car Payment	0.00				
Car Insurance	64.00				
Electric	55.00				
Propane gas	100.00				
Water/Septic	0.00				
Phone/Long Distance	60.00				
VARIABLE EXPENSES					
Groceries	700.00				
Eating Out	40.00				
House Maintenance	30.00				
Car Maintenance	40.00				
Yard Maintenance	40.00				
Gas for Car	160.00				
Gifts	40.00				
WalMart	200.00				
Recreation	100.00				
Child Care	200.00				
Satellite	95.00				
Cigarettes	120.00				
Pets (WalMart)					
Clothes	45.00				
Total Expenses \$1020.00	\$ 2664.00	\$	\$	\$	\$
DEBT					
See Attached					
Total Debt	450.00				
Total Expenses/Debt	\$3114.00				

DEBT

Calculate average monthly payments

Name of Creditor	Total Amount of Debt	Monthly Debt Payment
Doctor Johns (ob/gyn)	\$160.00	\$ 50.00
Doctor Paul (Pediatrician)	325.00	50.00
Clinic	412.00	50.00
Attorney	780.00	50.00
Fingerhut	1500.00	50.00
J C Penney Company	231.00	50.00
Sister	100.00	100.00
Frank's Auto	237.00	50.00
House Taxes	610.00	
Totals	\$4355.00	\$450.00