Consumer
Scene
Investigation

Family Budget Forensics

The Set Up:

The Pence family currently does not have a budget for family expenses. They are a young couple who would like to starting saving for a house. Their monthly disposable income totals $2,500.00, and their monthly expenditures are shown in the table on the left. They currently have $500 in a savings account.

Current Expenditures	Dollar Amount	Recommended Expenditures	Percent of Income
Short-term Saving	0	Short-term Saving	3%
Long-term Saving	0	Long-term Saving	7%
Housing/Insurance	$700	Housing/Insurance	31%
Food	$400	Food	15%
Car payment	$350	Car payment	12%
Car Expenses/Gasoline	$100	Car Expenses/Gasoline	4%
Utlilties	$150	Utilities	8%
TV/Cable/Dish	$100	TV/Cable/Dish	2%
Phones (2 cells)	$100	Phones (2 cells)	2%
Clothing	$175	Clothing	4%
Entertainment/ Recreation/Eating Out	$250	Entertainment/ Recreation/Eating Out	4%
Credit Card ($1200 balance)	$50	Credit Card ($1200 balance)	5%
Miscellaneous Expenses	$100	Miscellaneous Expenses	3%

The Investigation:

Unfortunately, the Pence family is not saving for any future wants. Based on the recommended expenditures in the table above right, evaluate the current expenditures of the Pence family.

Based on the recommendations, determine in which categories the family is overspending.

Family Budget Forensics

How could this family adjust current expenditures so that they can have money to put into both the short- and long-term saving categories?

Use the following table to solve their saving problem.

Adjusted Expenditures for the Pence Family	Dollar Amount
Short-term Saving	
Long-term Saving	
Housing/Insurance	
Food	
Car payment	
Car Expenses/Gasoline	
Utilities	
TV/Cable/Dish	
Phones (2 cells)	
Clothing	
Entertainment/Recreation/Eating Out	
Credit Card ($1200 balance)	
Miscellaneous Expenses	

Write an explanation for each of your changes.

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Family Budget Forensics

Given the information about the Pence family in the above table, the category in which spending is equal to the recommended amount is:

      A. clothing.

      B. housing.

      C. utilities.car expenses/gasoline.

      D. car expenses/gasoline.utilities.

1. According to their current expenditures, the Pence family is overspending by the greatest dollar amount on:

      A. food.

      B. clothing.

      C. car payment.

      D. entertainment.

2. Two of the categories that the Pence family are currently under spending on include:

      A. housing and utilities.

      B. credit card payment and clothing

      C. utilities and food.

      D. phone and housing.

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Think About It:

Now set up a budget for yourself. Start by creating a spending diary. Record all of your income and purchases for the next two weeks and use this information as the basis for creating a monthly budget for you to follow. (Be aware that it might take a month or two to refine your budget.)

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Consumer Scene Investigation

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Family Budget Forensics

Consumer Scene Investigation Grade Sheet
CSI 6 – Family Budget Forensics

Competencies: MM.1: Explain how limited personal financial decisions affect the choices that people make.

MM.3: Evaluate the consequences of personal financial decisions.

MM.7: Design a financial plan (budget) for earning, spending, saving and investing.

Objectives: A: Explain how scarcity affects economic decisions. (MM.1)

B: Prioritize personal and financial goals. (MM.1)

C: Construct a plan to achieve those goals. (MM.1)

D: Examine current saving and spending behaviors and patterns. (MM.2, MM.3)

I: Develop a budget. (MM.7)

Answers:

1. D
2. D
3. A

Adjusted Expenditures for the Pence Family	Dollar Amount	Possible Answers
Short-term Saving		$75
Long-term Saving		$175
Housing/Insurance		$775
Food		$375
Car payment		$300
Car Expenses/Gasoline		$100
Utilities		$200
TV/Cable/Dish		$50
Phones (2 cells)		$50
Clothing		$100
Entertainment/Recreation/Eating Out		$100
Credit Card ($1200 balance)		$125
Miscellaneous Expenses		$75

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Family Budget Forensics

Name: _____   Date: _____

Criteria:	4	3	2	1	Total:
Budget Figures	Expenditure adjustments were correct.	There was 1 mistake in the calculations.	There were 2 mistakes in the calculations.	There were 3 or more mistakes in the calculations.	
Overspending Determinants	Student looked at overspending and proposed changes that were effective and realistic.	Student looked at spending and proposed changes that could be effective.	Changes proposed were not effective or realistic.	Changes were attempted.	
Budget Problem Solving	The budget problem was solved and figures are correct, effective and realistic.	The budget was solved with 1 incorrect figure; realistic but not completely effective.	The budget was solved with 2 incorrect figures; not truly effective or realistic.	The budget was attempted but had 3 or more incorrect figures causing in to be ineffective.	
Reflection of Budget Changes	Student reflected on the situation and used knowledge of goal setting and budgeting in writing the rationale.	Student reflected on the situation but didn't cover knowledge of both goal setting and budgeting.	Student reflected but the reader is unclear as to what the student knows about goal setting and budgeting.	Student made an attempt but has not learned the concepts.	
Personal Budget Effectiveness	Personal budget is effective and realistic.	Personal budget has a minor flaw but could still be effective.	Personal budget is missing a major point and would not be effective.	Personal budget was attempted but could not be used.	
Spending Diary	Spending diary was complete and effective for budget making.	Spending diary was missing minor pieces that would cause the budget to need editing.	Spending diary didn't account for all of the spending. It was ineffective.	Spending diary was attempted.	
Personal Budget	Calculations were correct.	One calculation was incorrect.	Two calculations were incorrect.	Three calculations were incorrect.	
				Total:	