

Budgeting for Poverty

The federal government says a family of four making \$18,392 a year is living in poverty.

But how far does \$18,392 go in America today?

How do you budget? What do you leave out?

You make the hard choices.

Rent

The median, fair-market annual rent for a two-bedroom apartment within a major metropolitan area is \$8,256.

\$18,392
-8,256
\$10,136 yr.

Utilities

To keep a family of four warm and secure, the average expense for utilities and public services runs \$1,944 a year.

\$10,136
-1,944
\$8,192 yr.

Transportation

Just for two people to ride the bus daily to and from work in a major metropolitan area, the annual combined transportation cost would be about \$1,500. Additional trips—to the store, the doctor's office, wherever -- would raise the total significantly.

\$8,192
-1,500
\$6,692 yr.

Food

Families making less than \$19,000 on average spend \$3,821 a year on food. But even with public assistance, such as food stamps, a family at the poverty line will spend \$1,301 annually on food away from home.

\$6,692
-1,301
\$5,391 yr.

Health Care

The average annual cost for family health insurance coverage is \$4,000. Even if an employer contributes part of the costs, a family would still pay on average \$1,347 for coverage. The cost of not having health insurance, however, could be devastating.

\$5,391
-1,347
\$4,044 yr.

Child Care

The average annual cost in a metropolitan-area child care center for two children under the age of five is \$13,235. Even with child care subsidies, working families making less than \$15,000 a year spend one-quarter of their income on child care; for a family of four below the poverty line, that's about \$4,200 a year.

\$4,044
-4,200
-\$156 yr.

So now you're \$156 over budget, and you still don't have everything you need.

What do you leave out?

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

These are the decisions made every day in the state of poverty.

VISIT: WWW.POVERTYUSA.ORG

Source of Statistics:

Rent: U.S. Department of Housing and Urban Development 2002 Fair Market Rents
Utilities: Department of Labor, Bureau of Labor Statistics, Consumer Expenditures Survey 2001
Transportation: Chicago Transit Authority
Food: Department of Labor, Bureau of Labor Statistics, Consumer Expenditures Survey, May 2001
Health Care: Agency for Healthcare Research and Quality, Center for Cost and Financing Studies
Child Care: "Comparison of Average Annual Child Care Costs"; Department of Labor, Bureau of Labor Statistics

CATHOLIC CAMPAIGN FOR HUMAN DEVELOPMENT

WWW.USCCB.ORG/CCHD