

## Project Work

### **FAMILY INCOME - BUDGET**



#### Name(s):

What follows is an imaginary story of the behavior of a 35-year-old consumer...

**I bought a house worth 100,000 euros.**

**I got a mortgage worth 50,000 euros and for this reason...**

**I'll be paying 320 euros a month for the next 15 years.**

**I got a home improvement loan worth 4,000 euros for which...**

**I'll be paying 170 euros for the next 3 years.**

But I also wanted to buy new appliances because a new house cannot have old appliances and I also needed to refresh my wardrobe so...

**I got a credit card and I charged 3,000 euros to it for which...**

**I'll be paying the minimum amount of 100 euros a month**

My monthly income is 1,700 euros. My family consists of my husband, who is unemployed, and my 1-year-old daughter. **Now I wonder if I did the right thing.**

**A. What didn't he take into consideration before he got the two loans? Make his family budget and see if he did the right thing.**

<b>INCOME</b>	
Salaries	
Other sources of income	
<b>TOTAL INCOME</b>	
<b>EXPENSES</b>	
Mortgages/loans/rent	
Insurance (life, medical, car, etc)	
Bills (water, phone, electricity, etc)	
Food and drink expenses (eg supermarket)	
Clothing	
Entertainment	
Other	
<b>TOTAL EXPENSES</b>	
<b>INCOME-EXPENSE S</b>	

B. In your opinion, should he have got a credit card and a home improvement loan? Do you believe he prioritized his needs?

C. What should someone take into account when taking out a credit card?