

Topic 1

Case Study

Directions: Review the following facts. How would you suggest that the family handle matters based on what you have learned from today's session?

Marta (age 34) and Bobby (age 37) are married with 2 children, a girl, Elena (age 7) and a boy, Martin (age 10). They live in a rented apartment in the Bronx. Marta's mother, Cecilia (age 59) emigrated from her native country two years ago, and lives with Marta and Bobby. Cecilia is undocumented and watches the children so Marta and Bobby can work. She has no income.

Marta currently works at a local store. She earns \$10 an hour. Her weekly salary is \$400 (\$20,800 for a whole year – 52 weeks x \$400). Her take home pay is \$354.00 each week after deductions for social security \$24.80 (6.2%); Medicare insurance for when she reaches age 65 --\$5.80 (1.45%) and federal income tax withholding of \$4.00 (based on exemptions for 4 family members); NYS income tax withholding \$6.70, and NYC income tax withholding \$4.70.

Bobby is a worker-owner at a restaurant cooperative. He receives monthly distributions of \$500 each week. He puts \$75 a week into his savings account just in case he has to pay taxes.

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Monthly expenses

Rent	\$ 1150.00
Gas & Electric	140.00
Food (includes eating out)	650.00
Cable TV/Internet	109.00
Cell Phone (Family Plan)	90.00
2 Monthly Metrocards (x 2)	233.00
House supplies: toilet paper, etc.	30.00
Laundry and Dry Cleaning (detergent, laundromat)	15.00
Clothing (\$600/year or average \$50/month)	50.00
Doctors and dentists (\$600/ year or average \$50/month) – no insurance coverage	50.00
Prescriptions (average \$15/month) – no insurance coverage	180.00
Credit card minimum payments	140.00
Gifts – holidays, birthdays-monthly average	15.00
Bobby's savings account-set aside for taxes (assume a 4-week month – 4 x \$75)	300.00**
Miscellaneous	100.00

** We do not cover tax payments on income earned from a worker-owner cooperative.
This issue will be covered in Topic 4.