

LIFE HAPPENS: UNDERSTANDING POVERTY
SOCIAL SERVICES AND LOW-WAGE WORK BUDGETING ACTIVITY
SOC 103A - Introduction to Sociology

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Scenario 1

You are a single parent of two children, a boy age 6 and girl age 2. You lost your job 2 months ago when the store you worked at was closed. You have been evicted from your apartment for nonpayment of rent. You can stay in a family shelter for one month but you must find a new place to live fast. You have been approved for TANF for the first time. You need a plan! Let's work out your budget...

First, your monthly income

1. In Adams County PA, you receive a maximum of **\$403 in Cash Assistance per month (TANF)**. *You may only receive benefits for a maximum of 5 years during your lifetime.*
2. Pennsylvania provides limited Child Support Pass Through for recipients. *In many states, all child support goes to the state while a custodial parent receives state assistance.* You receive **\$100.00 for child support** from the non-custodial parent of your children. *Custodial parents in PA can receive a maximum of \$100 a month per child, however, child support from non-custodial parents is income-based, with low- or no-income parents paying \$50 a month per child.*
3. You are eligible for the Supplemental Nutrition Assistance Program (food stamps). You receive **\$511 in benefits** that may only be used on approved food items.
4. You are eligible for Medicaid coverage (health care) assistance in Pennsylvania.
5. Federal law requires you participate in work or educational related activities including job searching, community service, unpaid work, or job skills training related to work for 20 hrs. per week. You may not receive payment for this or your TANF eligibility will decrease.
6. As a low-income PA state resident, you are eligible for child care subsidies! The waiting list in Adams County is currently **8 months long** and you will not become eligible until you find a job.
7. Only about 25% of eligible families receive housing subsidies and you are not one of them. Adams County has currently closed their waiting list, and is no longer accepting new applicants due to the length of the list.

Notes

- Include all relevant expenses in your worksheet. For example, include soap, cleaning supplies and hygiene items in the "other" category.
- Transportation must include costs for getting to and from community service or other work-related activities a minimum of 3 days a week.
- Remember you need to manage clothing, transportation and child care for this number of hours per week.

MONTHLY BUDGET WORKSHEET: SCENARIO 1

Monthly Income:

TANF (Cash assistance)	\$ <u>403.00</u>
Child Support Pass Through	\$ <u>100.00</u>
Nutrition Assistance (Food Stamps) – ONLY FOR FOOD	\$ <u>511.00</u>
<i>Total Monthly Income:</i>	<i>\$ <u>1014</u></i>

Monthly Expenses: (List all amounts on a monthly basis.)

Housing/Rent	\$ _____
Food Expenses	\$ _____
Child Care	\$ _____
Electric/Utilities	\$ _____
Education (e.g. books, school supplies)	\$ _____
Household/Misc. (e.g. soap, diapers, etc.)	\$ _____
Clothing	\$ _____
Phone/Internet	\$ _____
Transportation	\$ _____
Medical Insurance	\$ _____
Entertainment (e.g. toys)	\$ _____
Other	\$ _____
<i>Total Monthly Expenses:</i>	<i>\$ _____</i>

	Monthly Income:	\$ <u>1014</u>
-	Less Monthly Expenses:	\$ _____
	Monthly Balance:	\$ _____

Scenario 2

You have found a job! Congratulations! You are employed at a business in Hanover, PA. You make \$7.25 per hour, state minimum wage. This means you are no longer eligible for TANF. Your shift changes weekly but you generally work from 11am - 6pm, Tuesday - Saturday. Your new place of employment is about a 25-minute drive away from home. According to the Affordable Healthcare Act and Pennsylvania law, you are now eligible to receive healthcare benefits. There are no other benefits included with your new job.

Fill out your budget worksheet again

- Your net income is calculated by multiplying the hours per week you work by how much you get paid. Multiply that amount by 4 to get your monthly income. Then subtract taxes to get your net income. A rough estimate of taxes (federal and state income tax, social security and Medicare tax) is **\$140 per month**.
- You continue to receive \$100 in child support payments.
- You are still eligible for the Supplemental Nutrition Assistance Program, but you receive the lower benefit (reduced by 1/2) for your family, **\$205**.
- You are no longer eligible for Medicaid as your employer offers health insurance (*this varies by state*). Your insurance premiums are now **\$128 per month**. Your deductible is \$1500, and you are required to pay \$30 copay for each doctor visit after the deductible is met.
- As a low-income PA resident, you are eligible for child care subsidies. The waiting list in Adams County for you is now **11 months** long.
- Only about 25% of eligible families receive housing subsidies and you are not one of them. Adams County has currently closed their waiting list, and is no longer accepting new applicants.

Notes

- Your rent and utilities are the same amount.
- Daycare costs have increased from 20 hours per week to 45 hours per week including transportation time.
- Transportation must now include getting to and from grocery stores, banks, etc. several times a month as well as getting to and from work each day.
- Clothing costs must be increased.
- You must have a phone in order to be available to your employer.

MONTHLY BUDGET WORKSHEET: SCENARIO 2

Monthly Income:

Net Income (Work Wages)	\$ <u>875.00</u>
Child Support Pass Through	\$ <u>100.00</u>
Nutrition Assistance (Food Stamps) – ONLY FOR FOOD	\$ <u>205.00</u>
<i>Total Monthly Income:</i>	\$ <u>1180</u>

Monthly Expenses: (List all amounts on a monthly basis.)

Housing/Rent	\$ _____
Food Expenses	\$ _____
Child Care	\$ _____
Electric/Utilities	\$ _____
Education (e.g. books, school supplies)	\$ _____
Household/Misc. (e.g. soap, diapers, etc.)	\$ _____
Clothing	\$ _____
Phone/Internet	\$ _____
Transportation	\$ _____
Medical Insurance	\$ _____
Entertainment (e.g. toys)	\$ _____
Other	\$ _____
<i>Total Monthly Expenses:</i>	\$ _____

	Monthly Income:	\$ <u>1180</u>
-	Less Monthly Expenses:	\$ _____
	Monthly Balance:	\$ _____

COST OF LIVING IN ADAMS COUNTY, PA

Food

- Low Cost Plan (low quality food, mostly prepared foods): \$239/adult male, \$207/adult female, \$191/child, \$131/toddler, \$125/infant
- Quality Plan (higher quality food, fresh vegetables, etc.): \$368/adult male, \$327/adult female, \$273/child, \$192/toddler, \$174/infant

Clothing

- Buying new and cleaning old: \$50 (minimum)

Shelter

- Renting a 1-bedroom apartment: \$710
- Renting a 2-bedroom apartment: \$890
- Renting a 3-bedroom apartment: \$1,230
- Mortgage on a 3-bedroom home: \$1,200

Utilities

- Gas/Water/Sewer: \$150
- Electric: \$100
- Phone: \$45 (minimum)

Transportation

- New Car Payment: \$500
- Used Car: \$300
- Insurance: \$120
- Gas: \$200 (minimum)
- Bus: \$27/adult

Child Care

- Basic care (no activities or educational programs): \$600/child
- Quality care (activities and educational programs): \$900/child
 - Add \$150 to this for infants

Miscellaneous Personal and Household Expenses

- Costs for everything from toothpaste to home repairs: \$75/person

Health Insurance

- Bronze Plan: \$90/individual Covers 60% of costs
- Silver Plan: \$150/individual Covers 70% of costs
- Gold Plan: \$300/individual Covers 80% of costs
- Platinum Plan: \$400/individual Covers 90% of costs

Taxes & Credit Card Bills

- Taxes (estimate) \$50.00/person
- Credit Card Bill: \$125/month

Additional Expenses

- Cable: \$50/month
- Broadband Internet: \$30.00/month
- Netflix/Hulu subscription: \$9.00/month
- Going to the movies: \$20.00/adult; \$15.00/child
- Donations (religious organizations, charities): You decide
- Personal (haircuts, cosmetics): You decide
- Gym membership: \$40/month
- Pet food/Pet Care: \$40/month

Emergency Costs (Life Happens)

- Live-in nurse: \$500/week
- Physician (office visit only): \$25 (Copay), \$150 (no insurance)
- X-rays and other tests: \$500 per x-ray/test (no insurance)
- Hospital stay: \$1,500/day
- Braces: \$2,500
- Car Repairs: \$200
- Plumber: 100/hour (3-hour minimum)
- Hotel: \$175/night
- Motel: \$95/night
- Dining out (nice): \$30/person
- Dining out (fast food): \$10/person