

# The Best Budgeting Strategies for Single Parents



By Geoff Williams | U.S. News & World Report LP - Thu, Oct 17, 2013 3:36 PM EDT

There is one positive point about being a single parent and facing down a mountain of bills and a slew of budgetary choices: You don't have a partner to bicker with. You can make your own money decisions.

But otherwise, being a single parenting and budgeting can be a long slog.

"Single parents have unique budgeting challenges," says Marilyn Timbers, a Stamford, Conn.-based financial advisor who works for ING Financial Partners, citing the scenarios of having to often raise a child solo and survive on one income.

"Children are a joy, but they do not come cheap."

No kidding. As the U.S. Department of Agriculture noted in an August report, it will cost an estimated \$241,080 for a middle-income couple to raise a child from day one until the child's 18th birthday - and some single parents have to shoulder that financial responsibility all by themselves.

Not that every single mom or dad is running on financial fumes and deserving of a pity party. Plenty are thriving and doing just fine. But if you sometimes find yourself staring at your bank account, wondering which bills you can get away with paying late - and still give your kids a decent life - here are some strategies from personal finance experts and single parents in the trenches.

**Your budgeting process needs to be your own.** Your partner may have been the one who paid the bills or made many of the money decisions. If that's the case, you need to step up. "Don't let anything overwhelm you," says Jose Perez, 47, a safety professional in the construction industry who lives in Bayonne, N.J.

Perez knows of what he speaks. His wife, Olinda, who was a substitute teacher in Newark, N.J., passed away almost three years ago of stage 4 breast cancer. Perez, who has a 15-year-old daughter and an 11-year-old son, took over the family's budgeting, which had always been Olinda's territory. Perez didn't know any of the passwords for their financial accounts and eventually had to start over from scratch.

But while budgeting can be challenging, he says, "there is nothing that important that, if you lose it, can't be replaced or that you can't go without."

**Formulate a plan for paying bills on time.** It's easy to forget to look ahead if you're always looking behind you - at the car payment you didn't make or phone bill you didn't pay.

"I always total my monthly bills and divide my bills by paycheck. This made my bills much more manageable and forced me to keep close tabs on my money," says Ingrid Turner, a 29-year-old raising an 8-year-old son in Los Angeles. She is paid twice a month and earns \$75,000 annually working for a technology reseller in Hollywood since 2012. She almost never receives child support.

Turner says she puts half of her first paycheck aside to cover a portion of her rent. "I shove it into my savings account, where it isn't so easily accessible," she says. When the next paycheck comes, paying the rent doesn't seem so daunting - she has half of it saved up already.

The strategy has helped Turner immensely. She divorced her husband when her son was 2 and spent several years unemployed and living in her mother's garage before finding jobs with income that placed her right around the poverty level. She was always careful about not falling into debt. She now has a credit card, but only for emergencies and major expenses.

"When money does get tight, I break down how much I can spend per day until I get paid," Turner says. "Knowing I have \$20 or \$30 per day, for example, helps me more than knowing I have \$X per week or month."

And she always maintains a savings cushion. "When I was making \$12 to \$14 an hour, I wasn't able to save \$100 or more a month, but I could do \$25," Turner says.

**Buy food last.** Yes, last. It sounds counterintuitive, but it makes sense if one listens to Heather Slaughter, 39, a resident of Imperial, Mo., who works in business development for a title company.

## The Best Budgeting Strategies for Single Parents

Budgeting tips for single moms and dads with a full house of kids -- and bills

By GEOFF WILLIAMS

October 17, 2013

"I pay my bills first and buy food second. You can't spend what you don't have," Slaughter says.

Food and shelter come first, but as long as you ensure some money is slotted for food, Slaughter has a point. Budgets can be upended by a poorly planned or impulsive grocery outing.

And Slaughter has a lot of bills to pay. She doesn't want to divulge her annual salary but says her position typically pays between \$35,000 to \$65,000, and one can only hope she makes closer to the higher range. Slaughter, who divorced in 2010, supports a 5-year-old and four teenagers. She says her husband has only paid two checks for child support, totaling \$750.

Meanwhile, Slaughter pays her monthly \$690 mortgage, including the tax and insurance. Her insurance is more than \$600 a month, due to having three teenage drivers on the policy (and that includes life insurance). The cellphone bill - again, all those teenagers - is \$250 a month.

**Your kids can help you with the budget.** There's no shame in explaining your household economics to your kids if they're old enough to understand. Obviously, Timbers says, "be selective in what you share, especially if they're younger - you don't want to frighten them."

Susan Elliott is the author of "Getting Past Your Breakup: How to Turn a Devastating Loss Into the Best Thing That Ever Happened To You." She is no longer a single mom - she has remarried and her kids are in their 30s - but when she was working for a computer company and getting her master's in psychology, her three teenage sons "were eating me out of house and home. I would come home, and they would be sitting there, eating boxes of cereal and gallons of milk - before dinner," she says.

She finally sat them down and told them she was changing how they were shopping. She gave each of them a food budget for breakfast, dinners on the nights she was working late and snacks.

"Your food is to last you through the next shopping trip," she told them. "I don't care what you buy, but you can't eat any food that is not yours or not marked 'community food.' If you want to eat Cap'n Crunch morning, noon and night, be my guest, but you're not eating each other's food, nor are you eating my food. If you run out of food, too bad, so sad."

Her friends didn't think it would work, and, no, Elliott didn't intend to let them starve. But she was hoping to teach them a lesson, and it worked far better than she expected. Elliott says her sons became very budget-conscious, bartering with each other, buying family-sized packages and divvying them up.

"I would come home from work, and they would be sitting there, cutting coupons," Elliott says. "These were three boys who typically didn't get along for three minutes."

**Keep the money-guzzlers under control.** Slaughter didn't want to deny her children a good Christmas but recognized that presents can be a budget-killer if you're not careful. So she has one credit card, which she only uses for Christmas gifts. She spends the next six months paying it off, "so I'm ready to do it all over again next December," she says.

Turner took in roommates when she was making less money. When she needed a car, she knew an expensive one could derail her budget, so she purchased a 1998 Volkswagen Beetle from her cousin for \$700.

When the timing belt started having trouble, and she had the money to buy another car, she paid it forward in a sense. Turner found a 19-year-old single mother who needed a car and whose father was a mechanic whiz - and sold the VW bug to her for \$100.

It can be daunting to be a single parent and keep on top of finances, but Turner says, "it's more doable than you think."