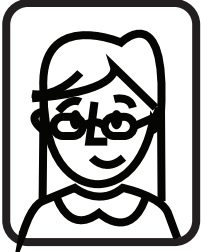




## LESSON 13: Activity 2

### Katie's story



#### About Katie...

Katie is married to Peter and they have three children, Marcus (14), Isabelle (10) and Sophie (8). Katie gave up her job as a secretary when Sophie was born. Peter is a printer by trade. The company he worked in closed last year and he is finding it hard to get another job. Katie has recently been offered a part-time job in a crèche earning the minimum wage.

They are finding it hard to keep up their monthly home loan payments (mortgage). They have very little money to spend and are using their credit card to pay for bills like electricity, groceries and petrol (which works out at about €500 per month). They also have a car loan which is costing them €85 a month. Katie & Peter are very stressed over the situation and are ignoring letters from their bank. They are only managing to pay off the minimum repayment\* on their credit card and have an overdraft\*\* on their bank account every month. They are showing lots of the signs of being in trouble with debt. They have missed the last two monthly repayments on their car loan. They are too embarrassed to talk to someone about their situation and haven't said anything to their children.

Marcus wants to go on his school trip to France this year, which will cost €350. Katie and Peter haven't told Marcus that they can't afford to send him on the tour.

If they didn't have enough to worry about their TV just broke – how will they tell their children they can't afford to get it fixed.

\*Minimum repayment: This must be made by a set date and is usually between 2% and 5% of the total amount due. \*\*Overdraft: Is a loan arranged through your bank account. It allows you to spend more money than you have in your account up to an agreed limit.