

Stay Home Moms Make Money!

By BB Lee

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Recent Statistics show a second income might be detrimental to the financial status of many young couples with children who need day care. Studies discovered families with one income were already ahead of the financial game, if the second income is a modest one.

Why? Simply because when both parents work outside the home full time, additional expenses will expand rapidly. In fact, their financial stability will diminish instantly, leading to financial ruin, even bankruptcy. This article will cover what one young mother decided to do to improve her income.

I will use my good friend, Sandy, as an excellent example. Sandy is a married woman with a three year old son. She recently returned to work after an enjoyable stint as a stay-at-home-mom.

Please Note: All the expenditures are on the conservative side. Sandy is frugal and watches every penny she spends. Please adapt the examples to your own situation to weigh your choices.

Sandy earns a respectable \$24,000 per year, which she considered a good second income for her family. Wrong! Sandy discovered other expenses were consuming her new income. To begin, she had to deduct about 40 percent for fed, state, local, social security taxes, pension plan. She is down to about \$14,400 extra. Yikes!

Day-care dwindles a large portion of her earnings. In many large urban cities day care cost around \$6,000 for one child. Sandy considered herself lucky to find a center charging about \$4,800 per year. That reduces her extra income to \$9,600.

Sandy works in a high profile business office, her appearance is very important. Sandy will need a new wardrobe. Of course, the new ensemble will need dry-cleaning. Yearly fee, conservatively \$1,000. That leaves Sandy with \$8,600.

And she will want to have her hair and nails done to maintain her professional appearance. Costing a grand total of \$2,000 per year. Reducing her profit margin to 6,600.

Oh, and don't forget the little expenses that add up like, lunches, snacks, office parties, magazines

to read on the train, and other expenditures that accumulate with working outside the home. This can add up to an additional \$3,000 easily. Sandy is now at a \$3,300 profit margin.

All right, now there's transportation. Sandy commutes by rail 5 times per week. This totals close to \$1200 dollars per year. Our profit margin is now \$2,200!

Think about it! That breaks down to approximately an extra \$183 per month after expenses. Sandy soon realized she could start an in home business that would have a higher profit margin than her once highly coveted 9 to 5 second income. She thought about her interest and focused on her skills.

Sandy decided to start a day care center. Sandy cares for two other children along with her son. Something she really enjoys. Her expenses are less, since she doesn't have to commute. She doesn't have to spend money on a business wardrobe or the latest hairstyle. Plus, she gets to spend all the time in the world with her son during the most important formative stages of his life!

Think about it! Are you in similar situation to Sandy. Maybe, that secondary income working outside the home is not the answer to your financial woes, but starting an in home business is!

Sources:

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*7 Home-Based Business Ideas That Will Make You Money!

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