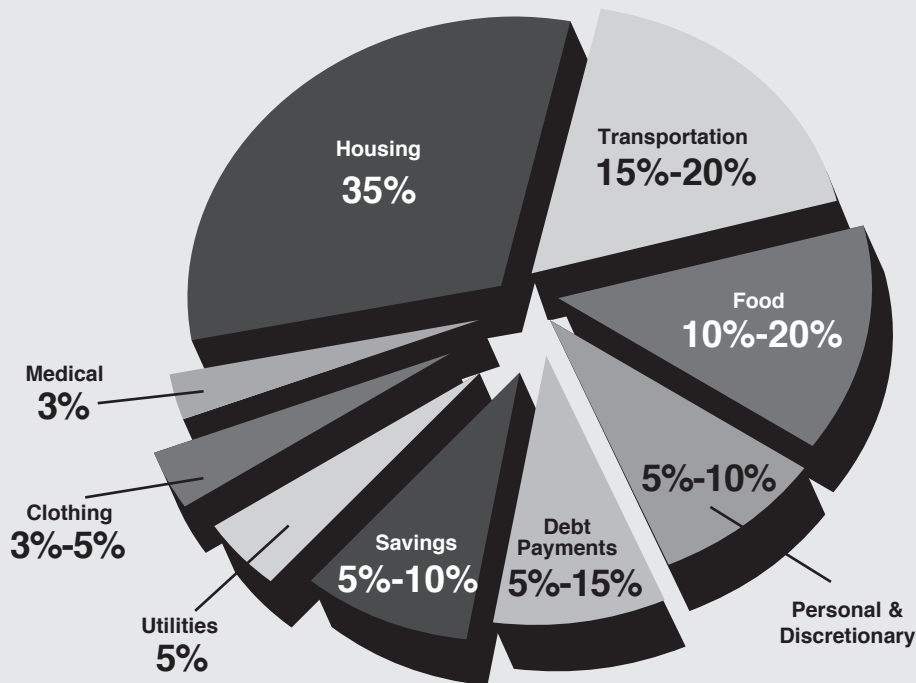


Developing a Family Spending Plan Exercise



Take some time to develop a family spending plan of your own. The Credit Counseling Society recommends that your annual income be divided as shown in the illustration below.



Housing: 35% (mortgage, taxes, rent, insurance)

Utilities: 5% (phone, cell phone, gas, cable, internet)

Food: 10-20% (groceries, personal care, baby needs)

Transportation: 15-20% (bus, taxi, fuel, insurance, maintenance, parking)

Clothing: 3-5% (for all members of the family)

Medical: 3% (health care premiums, specialists, over-the-counter)

Personal and Discretionary: 5-10% (entertainment, recreation, education, tobacco, alcohol, eating out, gaming, hair cuts, hobbies)

Savings: 5-10% (Plan to save money for expenses that don't occur every month, as well as for your future. Then you'll have a little extra available when you need it.)

Debt Payments: 5-15% (Many people find that their budget is quite tight when their monthly debt payments are close to 23% of their net income.)