

THE POWER OF BUDGETING

Case Study Exercise

James and Kim have been married for nine years, and they own their home. After taxes and health insurance costs, their combined take-home pay is \$5,000 per month. They're trying to live on a budget, and they need some help cutting their expenses so they can get out of debt. **Your goal is to help James and Kim identify amounts they could change in their budget to put at least \$500 per month toward their debt payments.**

MONTHLY BUDGET: \$5,000

CATEGORY	AMOUNT	REDUCE TO
Groceries	\$650	\$ <u>600</u>
Restaurants	\$250	\$ <u>200</u>
Clothing	\$250	\$ <u>200</u>
Entertainment	\$150	\$ <u>100</u>
TOTAL AMOUNT CHANGED		\$ <u>525</u>

Your Turn

This week, examine your own monthly budget and look for some ways to trim your budget by up to \$500 per month. Apply that extra money to creating an emergency fund, sending more toward debt payments, or increasing your retirement investing. Go to fwworkshops.com/budgeting to watch the *The Power of Budgeting* video and download budget forms and the Budget Beater Tips guide.

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MONTHLY BUDGET: \$5,000

CATEGORY	AMOUNT	REDUCE TO
Mortgage	\$1,050	\$ _____
Charitable Giving	\$450	\$ _____
Electricity	\$180	\$ _____
Gas	\$75	\$ _____
Water	\$55	\$ _____
Trash	\$27	\$ _____
Cell Phones	\$220	\$ _____
Internet	\$100	\$ _____
Cable TV	\$165	\$ _____
Lawn Mowing	\$100	\$ _____
Auto Gas/Oil	\$250	\$ _____
Groceries	\$650	\$ _____
Restaurants	\$250	\$ _____
Clothing	\$250	\$ _____
Entertainment	\$150	\$ _____
Life Insurance	\$75	\$ _____
Auto Insurance	\$100	\$ _____
Hair/Cosmetics	\$90	\$ _____
Pocket Cash (His)	\$100	\$ _____
Pocket Cash (Hers)	\$100	\$ _____

TOTAL AMOUNT CHANGED \$ _____