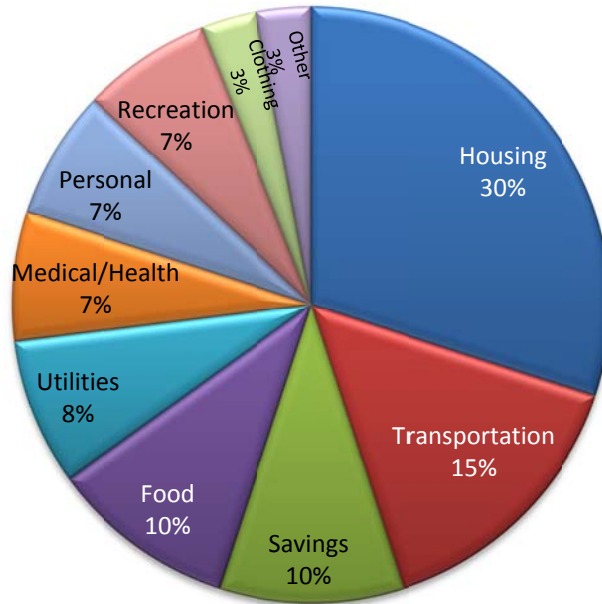


Recommended Home Budget Breakdown

Click on each section of the pie for an explanation and tips:



This information below would display when client clicks the category in the pie chart:



Housing



Housing is the largest spending category in your budget and should make up roughly 30% of your overall expenses. The exact percentage will vary depending on where you live. Prioritizing housing payments is critical because mortgages are considered a secured loan, meaning the bank can begin foreclosure proceeding if you fall behind in your payment. (The exact timeframe varies according to state law.) Making timely rent payments is equally important because landlords have the right to evict tenants after missing a specific number of payments. (Again, the number of payments varies according to state law.)

Housing Tips:

- Prioritize your house/rent payment above all other payments. If taxes and insurance are not part of your mortgage payment, set aside the appropriate amount each month in order to ensure that you don't fall behind.
- Review your insurance and understand your coverage options. Although insurance can be expensive, it is an important part of a good financial plan. Make sure you understand the coverage levels you need and what your current insurance pays for. Take time to shop around for the best rates.
- If you are struggling to pay your mortgage or rent, consider renting a room or sharing your living space with a trusted friend or family member. Think about your safety first --- do not rent to strangers.
- Budget monthly for home repairs in order to avoid relying on credit for unexpected home repairs. If you do not use the budgeted amount you've set aside, carry the amount over to the next month.



Transportation



Transportation 15%

Transportation expenses may include auto loans or leases, auto insurance, gasoline, public transportation, tolls, parking fees, registration fees, etc. These combined expenses should make up approximately 15% of your budget. As with home loans, auto loans are secured --- which means that your vehicle can be repossessed by the lender if your payments fall behind.

Transportation Tips:

- Comparison shop for auto loans. The interest rate makes a large impact on the total amount you'll pay for the car.
- Comparison shopping for auto insurance may save you money, but do not shop based on price alone. Be sure you're comfortable with the coverage and the deductible you'll be required to pay if you file a claim.
- Consider using cash to buy gasoline if your local gas stations charge more for the use of credit cards. Check local websites to learn about the cheapest gas stations in your area, but do not drive too far out of your way because it will eliminate the savings.



Savings



10%

Savings is a critical and often overlooked part of any budget. Savings should make up 10% of your overall budget. However, if you are unable to start with this amount, be sure to start at a level you can afford and work your way up to 10% over time.

Saving Tips:

- The best way to ensure you save on a consistent basis is to have a portion of your income automatically deposited into your savings account. Deposit the remainder into another account to pay monthly expenses.
- If you have children, consider encouraging or requiring them to put 10% of their allowance into savings every month. Teaching your children money management skills will help encourage life-long financial discipline.



Food



10%

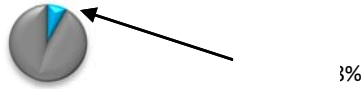
Food expenses include groceries, dining out, work/school lunches, coffee and snacks. This is an expense category that varies based on family size, and can easily get out of control without discipline. Buying convenience items, vending items and frequently dining out can all add up. Approximately 10% of your budget should go towards food.

Food Tips:

- Shop using sale ads and coupons, but don't be tempted to buy items you don't need just because they're on sale.
- Set aside time in your week to plan a menu so that you won't be tempted to dine out as often. Having a planned menu while shopping will also cut down on needless items or extra trips to the store.



Utilities



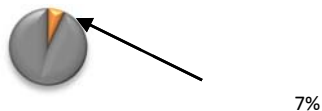
Utilities include ongoing bills such as gas/oil/propane, electricity, water/sewer, cable, Internet, phone and cell phone(s). These combined bills should make up approximately 8% of your budget.

Utility Tips:

- If you struggle to pay your gas or electric bill, consider signing up for the budget plan offered by most utility companies. The plan charges you equal payments every month instead of the seasonal variation of a normal utility bill.
- Review your utility bills --- especially bills for cell phones and home phones --- to be sure you're staying within your plan limits. If you are frequently using more minutes or texts, cut back or switch to a plan that better meets your needs. Overage charges are expensive.



Medical/Health



Depending on your health, this may be a small expense or it may be a source of major financial pressure. Medical and health expenses include health insurance, medical service deductibles, doctor co-pays, prescriptions and medical equipment.

Medical/Health tips:

- If you do not have health insurance, spend some time researching your options. Do not assume it will be too expensive. Having coverage, regardless of your age, is one of the best ways to protect your health and financial future.
- If you cannot afford your prescriptions, learn more about the many programs that offer discounted or free prescriptions based on your income and/or financial situation. Tell your doctor if you are concerned about your ability to afford your prescriptions. He/she may offer samples or know of a cheaper alternative.

Personal/Recreation/Clothing and Other

These four categories make up the remaining 20% of your budget. At the conclusion of this session, you will receive a packet that includes a sample budget with detail about what makes up each of these categories. It requires a great deal of discipline to stick to budgeted amounts for miscellaneous categories in your budget. **Track your spending weekly in this critical area because your spending will vary.** Make adjustments as you go. If you spent too much one week, cut back the next.