

Step 2 (continued)

B) Monthly Income Need: Discretionary Expenses

If in case you would prefer to further customize or more specifically define your spending categories, circle additional items on the following tables. Enter their name and estimated amount on the spending plan form in the rows on page 12.

Common Discretionary Expenses Categories

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| <ul style="list-style-type: none">• Books• Charitable contributions• Children's expenses• Clothing/cosmetics• Eating out• Dry cleaning• Education• Entertainment (movies, theater, concerts, etc.)• Gifts• Groceries• Haircuts/beauty salon• Health club• Hobby• Home equipment (small appliances, kitchen equipment and tools) | <ul style="list-style-type: none">• Home furnishings• Home repairs• Home supplies• Housecleaning• Investments• Laundry• Legal expenses• Magazines/newspaper• Medical expenses• Personal care• Personal growth (seminars, therapy, etc.)• Sports• Vacations• Miscellaneous |
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Ways to cut or eliminate discretionary costs

If your numbers aren't adding up, consider using some of the following ways to dig up dollars by cutting variable costs:

- Cut down on pleasure spending (buy one C.D. a month instead of four).
- Eat at home more often; shop for groceries after a meal.
- Buy in bulk and at discount stores.
- Make a list before you shop and stick to it.
- Do repairs and maintenance yourself.
- Use coupons.
- Buy generic goods.
- Buy used furniture and autos.
- Buy clothing, toys, etc. secondhand at garage sales, estate auctions and thrift shops.
- Cut out spending on goods or services that hold no value to you.
- Limit the number of evenings and/or lunches when you go out.