

# PRACTICAL APPLICATION WORKBOOK

## SUGGESTED PERCENTAGE GUIDELINES FOR FAMILY INCOME MARRIED WITH 2 CHILDREN

GROSS HOUSEHOLD INCOME:	\$25,000	\$35,000	\$45,000	\$55,000	\$85,000	\$125,000
<b>1. TITHE/GIVING</b>	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>2. TAXES</b>						
a. Federal*	0.00%	1.83%	3.64%	5.52%	8.87%	12.55%
b. Social Security**	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
c. Medicare**	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
d. State*	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
e. Other*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL TAXES***	7.65%	11.48%	13.29%	15.17%	18.52%	22.20%
<b>NET SPENDABLE INCOME:</b>	<b>\$20,588</b>	<b>\$27,483</b>	<b>\$34,518</b>	<b>\$41,155</b>	<b>\$60,760</b>	<b>\$84,751</b>
<b>3. HOUSING</b>	39%	36%	32%	30%	30%	29%
<b>4. FOOD</b>	15%	12%	13%	12%	11%	11%
<b>5. TRANSPORTATION</b>	15%	12%	13%	14%	13%	13%
<b>6. INSURANCE</b>	5%	5%	5%	5%	5%	5%
<b>7. DEBTS</b>	5%	5%	5%	5%	5%	5%
<b>8. ENTERTAINMENT/REC</b>	3%	5%	5%	7%	7%	8%
<b>9. CLOTHING</b>	4%	5%	5%	6%	7%	7%
<b>10. SAVINGS</b>	5%	5%	5%	5%	5%	5%
<b>11. HEALTH &amp; WELLNESS</b>	5%	6%	6%	5%	5%	5%
<b>12. MISCELLANEOUS</b>	4%	4%	6%	6%	7%	7%
<b>13. INVESTMENTS****</b>	0%	5%	5%	5%	5%	5%

All your net spendable income percentages should add up to 100%

If you have school/childcare expenses, these percentages must be deducted from other categories

<b>14. SCHOOL/CHILDCARE*****</b>	8%	6%	5%	5%	5%	5%
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\* The most accurate way to determine your Federal, State and Other tax withholdings is to check your last Federal and State tax returns. The numbers on the chart above are only estimates using 2015 tax rates, \$4,000 exemption/person, and standard

\*\* If you are an employee, this is the correct amount withheld from your paychecks. If you are self-employed, the amounts double to 12.4% for Social Security and 2.90% for Medicare.

\*\*\* In some cases earned income credit (EIC) will apply. It may be possible to increase the number of deductions to lessen the amount of tax paid per month. Review the last tax return for specific information.

\*\*\*\* This category is used for long-term investment planning, such as college education or retirement.

\*\*\*\*\* This category is added as a guide only. If you have this expense, the percentage shown must be deducted from other budget