

Special
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Edition



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Can these families learn to be frugal?

Most of us know we should save more, shop less and live within our means. But temptations to spend beckon to us everywhere. Fact is, millions of American families have saved little or nothing for retirement, college or emergencies.

So in conjunction with ABC's Good Morning America Weekend, USA TODAY has created the Frugal Family Challenge. With help from a financial planner, two participating families will spend 30 days trying to shore up their finances.

In this month's challenge, Jennifer and Bruce Pivnick of Richardson, Texas, and Jimmie and Mitzi Walker of New Haven, Mich., will try to live within a spending plan. We'll revisit the two families at the end of the challenge to see if they met their goals. In the meantime, you can follow their progress at www.abcnews.com. Search for "Frugal Family Challenge."

Meet Jimmie & Mitzi Walker

By Sandra Block
USA TODAY

Some people spend too much on clothes. For others, it's stuff for the house. Mitzi Walker's financial downfall is food. Walker loves to eat out. Her family goes to O'Charley's or Ruby Tuesday at least once a week.

On other nights, they get takeout. Add in quick trips to McDonald's and Taco Bell, and she and her family eat out somewhere nearly every day. And with three kids, ages 1 through 5, even a quick visit to a fast-food restaurant can get expensive, Walker says.

Family facts

Ages
Jimmie: 30
Mitzi: 28
3 children
Jemia, 5
Jimmie, 4
Jonathan, 1
Home

New Haven,
Mich.

they already have. And pretty soon, she'll need to buy even more clothes. The Walkers are expecting their fourth child by Christmas.

Jimmie, 30, is a government engineer; Mitzi, 28, is an accountant. They make a comfortable living, but they're spending

more than they earn. As a result, they often turn to credit cards to make up the gap. They have at least 15 credit cards with a combined balance of about \$30,000.

The Walkers, who are both from Memphis, try to visit their families at least once a year. They usually spend about \$3,000 for airfares and hotel rooms.

"And every time, we have to charge it," Mitzi says. "Especially if we know we're only going once (a year), it seems like we should save the money."

Putting aside money for the trip is particularly important now, because by next year, their youngest child will be too old to sit on his parents' laps during the flight. That means they'll have to buy a ticket for him. And in a couple of years, they'll have to buy a ticket for the new baby, too.

The Walkers have some savings, but not much: about \$21,000 for their retirement, \$1,700 for the children's college educations and \$500 for emergencies.

To help the couple gain more control over their spending, financial planner Tim Wyman has given both Walkers a small notebook and instructed them to write down every expense, from a 50-cent candy bar to the mortgage bill. That's the only way they'll get a handle on their spending, he says.

"Budgets don't work," Wyman says. "I want them to be thinking in terms of a spending plan, and the beginning work has to be understanding where the dollars are

Expert advice

Timothy Wyman is a partner at the Center for Financial Planning in Southfield, Mich., and has been a member of the Financial Planning Association for 12 years. Wyman is a frequent speaker on financial planning topics for the parenting program at Beaumont Hospitals. He serves on the advisory board for Oakland University's personal financial planning program.



going."

By tracking their expenses, Wyman says, the Walkers should be able to save \$500 during the 30-day challenge.

That's an ambitious goal. But the Walkers have already managed to make some small changes. Jimmie recently downgraded their satellite service, saving \$15 a month. And after discovering that they're spending \$50 a month on movie rentals, the Walkers are planning to switch to a less-costly subscription service.

Reaching their goal will require more sweeping changes, such as cutting back on trips to the mall. But Jimmie believes his competitive nature will help him resist the temptation to spend.

"I'm always up for a challenge," he says.