

Introduction to Family Resource Management

Introduction to Family Resource Management

(A concise guide for students, new parents, or anyone interested in budgeting and planning for a household)

1. What Is Family Resource Management?

Element	Definition	Why It Matters
Resources	Money, time, skills, assets, and social support that a family can draw on.	Determines the family's ability to meet needs and pursue goals.
Management	Planning, allocating, monitoring, and adjusting those resources.	Keeps the household stable, reduces stress, and builds long-term security.
Family	All individuals who share a household or financial interdependence (nuclear, extended, blended).	Each member's needs and contributions shape the resource pool.

Bottom line: Family resource management (FRM) is the systematic process of using what a family has to achieve its short- and long-term objectives.

2. Core Components of FRM

1. Financial Planning

- Income assessment (salary, benefits, side-gig, investments)
- Expense tracking (fixed vs. variable)
- Budget creation (zero-based, 50/30/20 rule, envelope system)

2. Time Management

- Daily schedules (work, school, chores, leisure)
- Prioritization (urgent vs. important)
- Delegation & shared responsibilities

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3. Human Capital

Management

- Skills and education of each member
- Employment opportunities & career development
- Health and well-being (physical, mental)

4. Physical Capital

- Housing, vehicles, appliances, technology
- Maintenance plans & depreciation tracking

5. Social Capital

- Support networks (family, friends, community groups)
- Access to information, childcare, emergency help

3. The FRM Cycle (A Simple 5-Step Loop)

1. **Assess** – Gather data on income, expenses, time use, assets, and needs.
2. **Set Goals** – Short-term (monthly bills, emergency fund) and long-term (college, retirement).
3. **Plan** – Build a budget, schedule, and action plan that aligns resources with goals.
4. **Implement** – Carry out the plan: pay bills, follow the calendar, use skills.
5. **Review & Adjust** – Monthly check-ins; tweak numbers or priorities as life changes.

Visual tip: Draw a circular diagram on a whiteboard and label each step; it reinforces the iterative nature of FRM.

4. Building a Household Budget (Step-by-Step)

Step	Action	Tool/Example
1	List all income sources – net pay, child support, government aid, investment returns.	Spreadsheet column “Income”
2	Identify fixed expenses – rent/mortgage, utilities, insurance, loan payments.	Separate “Fixed” column

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Step	Action	Tool/Example
3	Estimate variable expenses – groceries, transportation, entertainment, clothing.	Use past 3 months' statements for averages
4	Add savings & debt repayment goals – emergency fund, retirement, credit card payoff.	Allocate a % of net income (e.g., 10% emergency, 5% debt)
5	Calculate surplus/deficit – $\text{Income} - (\text{Fixed} + \text{Variable} + \text{Savings})$.	If deficit, revisit variable items or increase income.
6	Monitor – Record actual spending weekly; compare to budget.	Mobile app (YNAB, Mint) or paper envelope system
7	Adjust monthly – Shift categories	