

Review each section of the budget along with the comments and tips on the right. How would you spend this income if it was yours?

Comments and Tips: Review these helpful tips. They come from people who have implemented a good budget process.

Anatomy of a Budget	
Income	Monthly Amount
+\$40,000 Annual Wages	
- \$3600 (federal tax)	
- \$1500 (state tax)	
- \$3060 (FICA: social Security & medicare tax)	
= \$31,840 Net Income/12= \$2653 mo. Net Income	\$2,653
Other Income (side business, rental income, etc.)	
TOTAL Net Income	\$2,653
Expenses	
Housing & Utilities/Services	
Mortgage/Rent	\$500
Utilities (gas + electric + water)	\$50
Internet + Cable	\$80
Cell phone monthly plan	\$50
Homeowners or renters insurance	\$10
TOTAL Housing & Utilities/Services	\$690
Debts	
Student loan payments	\$150
Consumer debt payments (credit cards)	\$0
TOTAL Debts	\$150
Giving: Financial Assistance and Charitable Donations	
Faith organization	\$20
Community service organization	\$10
Family Assistance	\$20
TOTAL Giving	\$50
Transportation	
Car payment	\$150
Car insurance	\$75
Gas	\$250
Car maintenance/repairs	\$50
TOTAL Transportation	\$525
Entertainment	
Movies	\$10
Video games, DVDs, music	
Concerts, sporting events	\$25
Eating out, weekend activities	\$150
TOTAL Entertainment	\$185
Personal Expenses	
Personal products	\$10
Clothing	\$50
Salon services, haircut	
TOTAL Personal Expenses	\$60

Step 1: Enter all sources of income you receive.

- Enter your net income. This is the amount you receive after all deductions have been made from your gross income.

Step 2: Enter all of your expenses.

- This worksheet has numerous categories to help you consider how you spend your money.

- You may need to add spending categories if you have expenses not listed.

- The best way to determine how much you spend each month is to track your expenses. In other words write them down for a few months to get a handle on them.

- Review your expenses to determine where you can cut expenses so you can increase savings.

Giving to others is a personal choice and depends on your financial situation. Consider how you can help others financially and through serving your community and/or family. Support people and causes important to you. Giving can create a positive feeling knowing you are helping others.

Owning a vehicle is a lot of responsibility.

- Be sure to consider your needs vs. wants carefully before making a purchase.

- How will the purchase impact my budget and financial situation.

- There are many ongoing costs involved with owning a vehicle. They are very real and it is important to be prepared to cover these costs.

- Insuring your vehicle and those that ride in it is critical and it is mandatory in most states.

- If you are in an accident without insurance you are risking financial catastrophe!

It's easy to forget about the little things. These expenses can add up quickly!

Food/household expenses	
Groceries	\$250
Household goods	\$10
TOTAL Food/household expenses	\$260
Gifts	
For friends and family	\$30
TOTAL Gifts	\$30
Medical expenses	
Medical insurance	\$150
Doctor co-pays + prescriptions/medicine	\$15
TOTAL Medical expenses	\$165
Pet expenses	
Veterinary expenses	
Food	
TOTAL Pet expenses	\$0
Total Expenses	\$2,115
Savings	
Long term goals	
House	\$150
Children's education	
Car	\$78
Retirement	\$200
Other	
TOTAL Long term goals	\$428
Short term goals	
Vacation	\$50
Other (Build emergency fund)	\$60
TOTAL Short term goals	\$110
TOTAL Savings	\$538
TOTAL BUDGET (surplus or deficit)	\$0.00



Pay Yourself First by setting savings goals before allocating your expenses.

Based on this budget example your budget is in balance. You have allocated all of your income to spending and saving.

\$3653 = Net Income
\$2115 = Total Expenses
\$538 = Total Savings
\$0 = Balanced Budget

Buying groceries and preparing your own meals allows you to eat healthy and control how much you spend dining out. Bringing your lunch to work can save you a lot. Take a look how:

Lunch out every day @ \$7: 365 days x \$7= \$2555
Make your lunch every day @ \$2: 365 x \$2= \$730

That's a savings of \$1825 per year!

According to the American Society for the Prevention of Cruelty to Animals the average cost of owning a dog or a cat in the first year is approximately \$1000. After year one plan on \$400 - \$900 depending on the type of pet you have.

Step 3: Savings (We're finally here!)

Hopefully your expenses came in lower than your net income. If so, congratulations. You have money to allocate to important short and long term goals. If your expenses exceeded your net income, not to worry. Go back and determine where you can trim some expenses so you have money to save.

An important practice to get into when creating a budget is to "Pay Yourself First". Allocate money to savings before your other expense categories.

WHAT DO YOU WANT YOUR MONEY TO DO FOR YOU?

Think of financial goals important to you and your family. Some are listed on the budget worksheet but you may have others you want to include. Achieving goals is a matter of determining how much you have to save each month for a specific number of months so you can pay for your goal.

For example:

Goal: Save \$15,000 for the down payment on a new home you want to purchase in five years. This gives you 60 months to save.

Monthly Savings Needed: $\$15,000 / 60 = \250 per mo.

Based on this budget example, \$150 is being saved toward the house down payment goal. If getting the house is a priority, review your budget and determine where you can cut spending or re-allocate savings dollars so you can increase your savings amount to \$250 for the house down payment.