

Creating a Budget

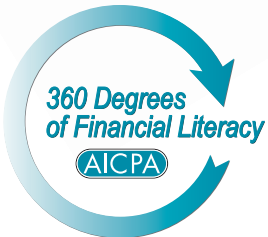
Does it ever seem like your money just disappears? Putting together a simple budget combined with diligent expense tracking will show you exactly where your money is going.

A budget is a plan for coordinating income and expenses. There is no average budget to follow. Your budget is unique to your financial situation. The type of budget that will work for you depends on the savings and spending priorities you set.

ON THE BUDGET PROVIDED:

- Enter your net income or take-home monthly income.
- Next, enter your fixed expenses, such as car payments and rent.
- Now, enter your flexible expenses, using figures you gathered from a typical month, such as your phone bill or electricity bill.
- Now, enter your discretionary expenses, such as clothing and entertainment.
- Finally, enter the amount you put into savings. This is also a discretionary expense.
- Now total all of your expenses and your savings and subtract this total from your net income. If you have money left over, you may want to use it to increase your savings.

360 Degrees of Financial Literacy



| Category | Monthly Budget Amount | Monthly Actual Amount | Difference |
|---|-----------------------|-----------------------|------------|
| INCOME | | | |
| Salary/Wages (after taxes and other deductions) Job 1 | | | |
| Salary/Wages (after taxes and other deductions) Job 2 | | | |
| Interest/Dividends | | | |
| Other Income | | | |
| INCOME SUBTOTAL | | | |
| FIXED EXPENSES | | | |
| Housing (Rent) | | | |
| Telephone | | | |
| Water/Garbage | | | |
| Health Insurance | | | |
| Car Payment | | | |
| Car Insurance | | | |
| Debt Payments (credit cards, loans) | | | |
| Other Fixed Expenses | | | |
| FLEXIBLE EXPENSES | | | |
| Groceries | | | |
| Transportation (gas, repairs, tolls, bus, etc.) | | | |
| Medical/Dental | | | |
| Utilities (heat, electricity) | | | |
| Education | | | |
| Personal/Family services (laundry, toiletries, haircuts, etc.) | | | |
| Long Distance Telephone | | | |
| Cable TV | | | |
| Other Flexible Expenses | | | |
| DISCRETIONARY EXPENSES | | | |
| Savings | | | |
| Dining Out | | | |
| Clothes | | | |
| Furniture | | | |
| Gifts | | | |
| Entertainment/Recreation/Vacation | | | |
| Books/Magazines/Newspapers | | | |
| Charity | | | |
| Other Discretionary Expenses | | | |
| EXPENSES SUBTOTAL | | | |
| NET INCOME (income less expenses) | | | |

