

# CREATING AN EFFECTIVE PERSONAL BUDGET

- Step **1** In **Table 1**, fill in the estimated dollar amount that you spend on **Essential Monthly Expenses** in the column labeled "**Current Spending**." Use the blank lines to describe additional expenses that are not already on the list.
- Step Add the total of all of your Current Essential Monthly Expenses in the Total **Essential Monthly Expenses** row (first column).
- Step **3** In **Table 2**, fill in the estimated dollar amount that you spend on **Other Monthly Expenses** in the column labeled "Current Spending." Use the blank lines to describe.
- Step **4** Add the total of all of your Other Monthly Expenses in the Total Other Monthly Expenses row (first column).
- Step **5** Write the Total Essential Monthly Expenses number from Table 1 in the Total Essential Monthly Expenses row in Table 2 (first column).
- Step **6** At the bottom of Table 2, add the Total Other Monthly Expenses and the Total Essential Monthly Expenses to get **Total Living Expenses**.
- Step **7** Copy the Total Living Expenses number into the Total Monthly Living Expenses blank in the formula below.
- Step **8** Calculate your **Monthly Gross** and **Net Income**. Your Net income is your income after income taxes and other withholdings, like 401k, are deducted.
- Step Copy the Total Net Income number into the **Total Net Monthly Income** blank in the formula to the right.
- Step **10** Using the formula above, subtract Total Monthly Living Expenses from Total Net Monthly Income. If the number is positive, then you are living within your budget and should consider investing the "excess" money in a savings account, money market, or other investment option, or payoff outstanding debts. If the number is negative, then you are spending more than your income allows. Go to Step 11.
- Step **11** Review each line in Tables 1 & 2. Determine if you can save additional money by reducing certain expenses, especially those in Table 2. Write these reductions in the **Necessary Changes** column. You may be surprised just how much money you find without adding any new income.
- Step **12** Write the new values for your monthly expenses in the **Planned Budget** columns of Tables 1 & 2 and calculate your Planned Budget.



Your Planned Budget represents your goal for next month. Monitor your expenses, and at the end of the month compare them with your budget.  
Make modifications to your budget as necessary.

**Congratulations on taking your first step to better money management!**

# PERSONAL BUDGET PLANNER

NAME \_\_\_\_\_

DATE \_\_\_\_\_

Table 1	Current Spending	Necessary Charges	Planned Budget
<b>ESSENTIAL MONTHLY EXPENSES</b>	\$	\$	\$
<b>Home</b>		Step 11	Step 12
Rent or Mortgage			
Electricity			
Water / Sewer / Garbage			
Telephone - Local			
Telephone - Long Distance			
Step 1			
<b>Food</b>			
Groceries			
School Lunches			
Work Lunches			
<b>Transportation</b>			
Car Payment			
Car Insurance			
Gasoline			
Repairs and Maintenance			
Public Transportation (e.g., bus, train)			
<b>Other Basic Expenses</b>			
Child Care			
Child Support			
Clothing			
Haircuts / Personal Care			
Insurance: Life, Health, Disability, ect.			
Laundry, Dry Cleaning			
Medical and Dental			
Prescriptions			
Newspaper			
Cable TV			
School Expenses			
Taxes: IRS, Property			
<b>Savings</b>			
Emergencies			
Long-Term Goals			
Retirement			
Short-Term Goals			
<b>Total Essential Monthly Expenses</b>	0.00	0.00	0.00

Table 2	Current Spending	Necessary Charges	Planned Budget
<b>OTHER MONTHLY EXPENSES</b>	\$	\$	\$
Credit Card Payments			
Installment Loan Payments			
Step 3			
<b>Entertainment</b>			
Eating Out or Ordering In			
Movie Tickets			
Plays / Concerts			
VCR/DVD Movie Rentals			
CDs, Tapes, Music Supplies			
Sporting Events			
Internet Access Fees			
Books, Magazines, Newspapers			
<b>Clubs / Organizations</b>			
Gym or Health Club Dues			
Club Dues / Expenses (scouts, Soccer, ect.)			
Professional Organization Dues			
Social Organization Dues			
<b>Gifts and Donations</b>			
Gifts and Cards (avg. for holidays, birthdays)			
Religious Tithes			
Charitable Contributions			
<b>Pets</b>			
Veterinary Expenses (average)			
Pet Food			
<b>Miscellaneous Expenses</b>			
Children's Allowances			
Vacations			
Occupational License Fees			
Cigarettes, Tobacco Products			Step 6&7
Alcoholic Beverages			
Snacks (work, convenience stores, vending)			
Step 4&5			
<b>Total Other Expenses</b>	0.00	0.00	0.00
<b>Total Essential Monthly Expenses</b>	0.00	0.00	0.00
<b>Total Living Expenses</b>	0.00	0.00	0.00

	GROSS INCOME	NET INCOME	(Total Net Monthly Income)	-	(Total Living Expenses)	=	(+ or -)
<b>Total Essential Monthly Expenses</b>	\$	\$					
Income 1							
Income 2							
Other Income (Child support, social security, military retirement, ect.)							
TOTAL GROSS / NET INCOME	0.00	0.00					
			0.00		0.00		0.00
							Step 10

Step 8