

Setting up a Personal Budget

Creating a spending plan or budget to achieve your goals takes five steps.

1. First, you need to understand your current money habits. This can be done by understanding your money perceptions/behaviors and tracking how much you currently earn and spend each month.
2. Consider how much money you would like to save. This is most easily done when you have a specific goal in mind.
3. If you currently have any debt make sure that you are adjusting your spending habits to pay the debt off as soon as you can.
4. Make sure you add a line for an emergency fund. An emergency fund can support you if something unexpected happens.
5. Finally, if you find that you are still overspending not able to save towards a goal or emergency fund, you may need to adjust some of your spending or expense categories.

After you've completed your planning, try to stick to your budget for one month. At the end of the month, record your actual income and your actual expenses. Calculate the difference between what you thought you would earn and what you actually earned, and what you thought you would spend and what you actually spent.

Then consider where you need to make adjustments in your budget. In some cases, you'll have to increase certain amounts in the expense categories to reflect the actual expenses. In other cases, you'll need to decrease certain amounts in the expense categories because you simply do not have enough money coming in to cover items that you want to purchase.

Remember, a budget is like a roadmap; depending on where you're headed, you may need to make some adjustments month by month. The exciting news is that with a budget in hand, you'll be able to take control of your personal finances!

Personal Budgeting Worksheet

	Budget	Actual	Difference
Monthly Income			
Salary (Take-home pay)			
Other			
Total Monthly Income			
Monthly Expenditures			
Needs			
Rent			
Utilities (water, electricity)			
Groceries			
Personal Care (haircuts, make-up, hygiene products)			
Clothing			
Car Payment			
Car Insurance			
Gas			
Other Car expense (maintenance, parking)			
Health Insurance/Co-pay			
Telephone			
Bank Charges (service charges, annual fees)			
School Loans			
School Supplies/Books			
Miscellaneous expense			
Savings			
Total Monthly Needs			
*Disposable Income (Wants)			
Charity			
Cable / Internet			
Credit Card payment			
Gifts			
Entertainment (eating out, movies, concerts)			
Total Monthly Needs + Wants			
Monthly Income Minus Monthly Expenditures			