

Creating an Effective Personal Budget

1. Using the **Budget Planning Worksheet**, fill in the estimated dollar amount that you spend on monthly expenses in the column labeled **Current Spending**. Use the blank lines to describe additional expenses that are not already on the list.
2. Add the total of all of your Current Monthly Expenses in the **Total Monthly Expenses** row in the **Current Spending** column.
3. Calculate your monthly net income and insert it into the **Income 1** field in the **Current Spending** column. To calculate your net income, take your income after taxes and other withholdings, like 401k, are deducted. If you have more than one income, use the **Income 2** and/or **Other Income** fields.
4. Add the total of all of your Net Monthly Incomes in the **Total Monthly Income** row in the **Current Spending** column.
5. Subtract **Total Monthly Expenses** from **Total Monthly Income** as shown below and fill that in the **Difference Between Income and Expenses**.

Total Monthly Income – Total Monthly Expenses =

- If the number is **positive**, then you are living within your budget and should consider investing the “excess” money in a savings account, other investment option, or payoff other outstanding debts.
 - If the number is **negative**, then you are spending more than your income allows.
6. Review each row in your **Monthly Expenses** and determine if you can save additional money by reducing certain expenses. Fill these reductions in the **Necessary Changes** column. You may be surprised by just how much money you find without adding any new income.
 7. Write the new values for your **Monthly Expenses** in the **Planned Budget** column and calculate your new planned budget.
 8. 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!

Monthly Expenses	Current Spending	Necessary Changes	Planned Budget
Home			
Rent or Mortgage			
Electricity			
Water/Sewer			
Garbage			
Telephone			
Internet			
Television			
Insurance			
Dues			
Food			
Groceries			
Lunches			
Snacks			
Drinks			
Transportation			
Car Payment			
Car Insurance			
Gasoline			
Repairs/Maintenance			
Other Transportation (bus, etc)			
Children			
Child Care			
Child Support			
Allowances			
Sports/Clubs/Activities			
Savings			
Emergencies			
Short-Term Goals			
Long-Term Goals			
Retirement			
Vacation			
Other Payments			
Installment Loans			
Credit Card Payments			

Entertainment			
Eating Out/Ordering In			
Movie Tickets/Rentals/Plays/Concerts/Sporting Events			
Music Supplies (Subscription/CDs/etc)			
Books/Magazines/Newspapers			
Clubs/Organizations			
Gym Membership			
Club Dues/Expenses (Social, Professional, etc)			
Gifts and Donations			
Gifts and Cards (Average for Holidays and Birthdays)			
Religious/Charitable Contributions			
Pets			
Pet Food			
Veterinary Expenses			
Other Miscellaneous Expenses			
Clothing			
Haircuts/Personal Care			
Other Insurances: Life, Health, etc.			
Laundry/Dry Cleaning			
Medical and Dental			
Prescriptions			
School/Educational Expenses			
Taxes: IRS, Property, etc.			
Total Monthly Expenses			
Monthly Income	Net Monthly Income (Net Income is your income after taxes and other withholdings, like 401k, are deducted.)		
Income 1			
Income 2			
Other Income (Child Support, Retirement, etc.)			
Total Monthly Income			
Difference Between Income and Expenses			