Budgeting is needed to get the most “mileage” out of your income.
It is your “road map” for managing your money.
Planning your spending is called Budgeting.
Analyze Your Paycheck

Paycheck belongs to _______________

$________ Monthly GROSS PAY
(the highest amount before items are subtracted from it)

CALCULATING NET PAY

Gross $_______ x .15% (or greater) = Taxes $ _______
*15% (or higher tax bracket) will be taken out of your paycheck for taxes.

List other items coming out of your paycheck (for example: savings, social security, insurance, child support, etc.):

type___________________  $ ________
type___________________  $ ________
type___________________  $ ________
type___________________  $ ________
type___________________  $ ________

TOTAL OTHER ITEMS  $ ________

Gross $ ________
- Taxes $ ________
- Other Items $ ________

= NET PAY $ ________

This dollar figure is what you can base your monthly budget on - try not to go over it!

CALCULATING HOURLY

Gross $_______ divided by the number of hours worked per month _______
(for example: 40 hours per week x 4 weeks in a month = 160 hrs.)

= HOURLY RATE  $ ________

Monthly Income

Your Net Pay $________
Spouse’s Net Pay $________
Pension Income $________
Social Security Income $________
Alimony Received $________
Child Support Received $________
Second (or Side) Job $________
Food Stamps $________
Average Monthly Bonus $________
Commissions $________
tips $________
Investment Earnings $________
Rental Income $________

MONTHLY TOTAL $________

Use this Total Monthly Income figure to work out your Budget for the month.

The objectives of a Budget are to:

• organize your spending
• see exactly where you are in terms of current income, outgo and trim excess spending
• stop the dribbling away of your money in ways that don’t meet your financial goals and
• keep an annual record of all tax deductions.

To prepare your Budget, it may help realize that your expenses can be divided into the following three categories (Fixed, Flexible and Periodic).

FIXED - expenses that do not change from month to month (example: home and car payments).

FLEXIBLE - For example, the cost of electricity goes up in the summer when you use air conditioning. Your credit card bill will vary, depending on what you charge. Do you pay your bill in full each month or do you only pay the minimum? Making only minimum payments can lead to paying lots of interest.

PERIODIC - expenses that come only once or twice a year. To determine how best to budget for
such annual or semi-annual expenses as insurance premiums, property taxes and income taxes. Divide your total cost for the year by 12, and set aside that amount each month. Planning ahead and putting money in a savings account, helps ensure that you’ll be able to pay these bills when they come due.

Call companies that bill you quarterly or semi-annually and ask instead for a “monthly” payment schedule.

__ I already did:
__ I plan to do by date: __________

Company _____________________
Company _____________________
Company _____________________

Include in your budget some money for savings to help provide for emergencies and unexpected expenses. Unplanned expenses do occur.

Keep at least $500 in a savings account as an emergency fund (ex. unexpected car repair). If you can, develop an emergency plan saving 3 months worth of budget expenses.

__ I already did:
__ I plan to do by date: __________

Make Your Budget Work

It is important that each family member be involved in discussing and planning the family budget since it effects everyone. Develop a draft of your Budget. Add categories to the form - make it personal! There can never be a standard form, because everyone has different bills, due dates and expenses. So do the best you can charting out when and how much you owe each month. **Pay your bills ahead of time, and never skip one month and pay the next - always pay something to everyone every month.**

If possible, try to stretch your bills out evenly over the month so that you are paying out approximately the same amount, and that there is no week when all of your money is needed for bills.

Call creditors to request a change of your “due date” to help your monthly payment schedule.

__ I already did:
__ I plan to do by date: __________

Company _____________________
Company _____________________
Company _____________________

Budgeting doesn’t always mean reducing spending. There may be categories you’d like to increase. For example, **you may want to raise your monthly payments towards credit card debt.**

Try your plan for a month or two. If you find you have left things out or miscalculated, make adjustments.

After testing your plan try to stick to it. You will soon feel in control of your spending and will make progress toward your goals.

**Use Your Computer**

Software programs (such as Quicken, etc.) are available for:

__ budget charts
__ databases
__ spreadsheets
__ checking accounts
__ business billing & office management

Review page 5 “**Types of expenses you may have**” to help you design your Monthly Budget. After evaluating your financial situation, you now know how much money you have coming in and going out. It is time to look for spending leaks and ways to more efficiently manage your income.

I’m spending too much on:

__________________________
__________________________
__________________________
__________________________
__________________________

I need to spend more on:

__________________________
__________________________
__________________________
__________________________
__________________________
Let all the family members keep track of their spending too!

### WEEKLY OUT OF POCKET SPENDING

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<th>Date</th>
<th>Item</th>
<th>Cost</th>
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TOTAL $ ______

### WEEKLY OUT OF POCKET SPENDING

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<th>Date</th>
<th>Item</th>
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TOTAL $ ______

Designing Your Budget • Smart investing@your library • 4
Types of expenses you may have

1. Housing
   - Property taxes
   - Property Assessments
   - Insurance - Property or Renters
   - Yard / Association Maintenance Fee
   - Household purchases and supplies
   - House cleaning and household help
   - Home improvements (remodeling)
   - Appliances (purchase, repair)

2. Food
   - Groceries
   - Non-food (cleaning, paper supplies, etc.)
   - Restaurant
   - Lunches: Work and Children’s
   - Pets
   - Warehouse club or food co-op membership

3. Clothing
   - Adult and Children’s purchases
   - Dry cleaning
   - Laundromat

4. Transportation
   - Lease or car loan payments
   - Insurance
   - Fuel
   - Maintenance
   - Bus pass, Taxi, SunPass

5. Dependent care
   - Day care
   - Baby sitter
   - Summer programs
   - Support of relatives / others

6. Education
   - Tuition and fees
   - Adult education
   - Children’s instructional lessons
   - College savings

7. Health Care
   - Regular checkups, immunizations
   - Health insurance (by payroll deduction?)
   - Medicines
   - Dental care
   - Eye care, glasses
   - Pet care

8. Insurance
   - Auto
   - Disability
   - Health
   - Homeowners
   - Life

9. Recreation & Entertainment
   - Professional or club memberships
   - Children’s club memberships
   - Magazine / newspaper subscriptions
   - Personal care / hair cuts
   - Vacations and travel
   - Hobbies
   - Movies and video rentals

10. Gifts & Donations
    - Adults’ and children’s allowances
    - Religious affiliation
    - Gifts - children, others
    - Charitable contributions

11. Consumer credit
    - Personal loans
    - Debt reduction
    - Credit Cards - MC, Visa, Discover, etc.
    - Gas cards
    - Department store

12. Retirement plans
    (not those automatically deducted from your salary)
    - IRA / ROTH IRA
    - Savings Bonds

13. Taxes
    - Federal income tax
    - Self-employed tax payments

14. Other
    - Investment (for long-term goals)
    - Petty cash, Allowance
    - Cigarettes

Keep your important papers organized in a file cabinet or box!
In case of emergency or death, a family member or personal representative will need information to pay monthly bills or notify them that someone had died. Write down the mailing address where the payment is sent.
**Monthly Forecast**

This page will help you see how much money is needed for bills, your income available to pay, and current debt total. You’ll be able to figure if you have (for example) $100 Extra or are $100 Short every month. From there, you may consider readjusting your spending, thinking about extra income sources, and/or trying to increase savings.

Review this page at least every year to chart your progress and update your bills. In case of a financial emergency, the minimum amount should be paid.

It is to your advantage to always pay more than the minimum to reduce paying more interest. Date this report was prepared ___________

1. Use the answer from the chart on page 2:  
MONTHLY INCOME TOTAL $ ______

2. Add up the Minimum Amount Due column below for your:  
BILLS TOTAL $ ______

3. Subtract:  
Income (minus) Bills =  
Extra $ _______ OR Short $ _______

<table>
<thead>
<tr>
<th>Names of All Monthly and Periodic Bills</th>
<th>Due Date ex. 1st, 15th</th>
<th>Loan or Credit Balance today</th>
<th>Minimum $$$ Amount Due</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

TOTALS $
### BILLS TO PAY THIS WEEK

**Date ___ / ___ / ___**

**INCOME**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Balance from last week</td>
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<tr>
<td>Your Net Pay</td>
<td></td>
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<tr>
<td>Spouse’s Net Pay</td>
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<tr>
<td>Child Support / Alimony</td>
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<td>Social Security</td>
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<td>Pension</td>
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<tr>
<td>Food Stamps / TANF</td>
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<tr>
<td>Bonus, Tips, Commission</td>
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<tr>
<td>Other</td>
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</table>

**TOTAL INCOME**

$_________

**EXPENSES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Ck#</th>
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<tbody>
<tr>
<td>Savings (emergency fund)</td>
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<td>Rent / Mortgage</td>
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<td>Food</td>
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<td>Child Support / Alimony</td>
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<td>Child Care</td>
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<td>Allowances</td>
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<td>Electric / Gas / Water</td>
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<td>Clothing</td>
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<td>Medical / Dental</td>
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<td>Cable TV</td>
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<td>Transportation</td>
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<td>Loan</td>
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<td>Credit Card</td>
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**TOTAL EXPENSES**

$_________

**Balance**

$_________

- Make copies of this page. Always keep this blank set handy to make any changes or to make more copies for the next year too. Write in specific names of companies to remind you of your household bills.
- If you need to have a company send a bill at a specific week of the month to help your budget schedule, please call them and request a billing date change.
- Check the date when each of your bills has to be paid. Be sure to mail any bills at least a week before they are due so the post office can get it there in time.
**Yearly Bill Payment Record**

You may prefer this format of record keeping in a **yearly** view. Keep this original as a master copy, and make a copy to write on. This form is ready for you to list each of your monthly or periodic household bills and record the dollar amount of each monthly payment.

<table>
<thead>
<tr>
<th>Company</th>
<th>JAN</th>
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Suggestion: Make enough blank copies of the different forms to use throughout the year and put them into a 3-ring binder. Great for record keeping!

Martin County’s Smart investing@your library® Series:

1 - Your Financial Fitness
2 - Designing Your Budget
3 - Banking Basics
4 - Establishing Credit
5 - Credit & Identity Theft
6 - Controlling Debt
7 - Tips for Daily Savings
8 - Saving for the Future

Credits:

- This booklet was designed by Chris Kilbride, University of Florida - Martin County Cooperative Extension Service for the Martin County Library System’s Smart investing@your library® Series. For details about Smart investing@your library®, visit http://www.smartinvesting.ala.org
To learn more about the Martin County Library System, visit http://www.library.martin.fl.us

- We would like to acknowledge the original educational outreach material “Decisions for Independent Living Life Skills Training: Budgeting” designed by Chris Kilbride, University of Florida - Martin County Cooperative Extension Service. This issue was part of an educational series which won a Dean Don Felker Financial Management National Award from the Florida Association of Family & Consumer Sciences.

- The mission of the FINRA Investor Education Foundation, a nonprofit organization, is to provide underserved Americans with the knowledge, skills and tools necessary for financial success throughout life. The FINRA Foundation envisions a society characterized by universal financial literacy. For more information and financial literacy resources, visit: http://www.finrafoundation.org