

HOW TO MAKE A BUDGET



A budget will help you figure out how much money you can spend per month, and to help you save for the future or for emergencies.

1. Write down your monthly expenses.

“Expenses” are anything you spend your money on. They include bills (rent, utilities, car insurance, etc.), food, gas, clothes, entertainment, and medical bills. Bills may change from month to month - for instance, your gas bill will be higher when it’s cold. Be sure to keep track of those changes when making your budget.

Try to write down what you spend every day so you can keep track and add it all up at the end of the month. You can keep a notebook or use a free online tool.

HOUSING	PROJECTED COST	ACTUAL COST	DIFFERENCE
mortgage or rent	\$1,000	\$1,000	\$0
phone	\$54	\$100	(\$46)
electricity	\$44	\$56	(\$12)
gas	\$22	\$28	(\$6)
water and sewer	\$8	\$8	\$0
cable	\$34	\$34	\$0
waste removal	\$10	\$10	\$0
maintenance or repairs	\$23	\$0	\$23
supplies	\$0	\$0	\$0
other	\$0	\$0	\$0
subtotals	\$1,195	\$1,236	(\$41)

2. Write down your monthly earnings.

“Earnings” are how much money you make. They include paychecks from work and any other money you make.

ACTUAL MONTHLY INCOME	Income 1	\$4,000
	Extra Income	\$300
	Total monthly income	\$4,300

3. Subtract your expenses from your earnings.

If your expenses are more than your earnings, go back over your budget to see what you could spend less on.

PROJECTED BALANCE (Projected Income minus expenses)	\$3,405
ACTUAL BALANCE (Actual Income minus expenses)	\$3,064
DIFFERENCE (Actual minus projected)	(\$341)

Keeping a budget requires discipline and practice, but it’s worth the time in the end because it is the only way to make sure you have a healthy financial future!