

Budgeting Basics

Track Your Income: Record all sources of income, including wages, salaries, freelance earnings, and any other sources of money you receive regularly.

List Your Expenses: Make a list of all your expenses, including fixed expenses (rent, mortgage, utilities) and variable expenses (groceries, transportation, entertainment).

Set Financial Goals: Determine your short-term and long-term financial goals, such as paying off debt, saving for emergencies, or investing for retirement.

Create Your Budget: Allocate your income to cover your expenses while also contributing to your financial goals. Make adjustments as needed to ensure your budget is balanced.

Track Your Spending: Keep track of your spending throughout the month to see how well you're sticking to your budget. Adjust your spending habits as necessary to stay on track.

Review and Adjust Regularly: Review your budget regularly to assess your progress towards your goals and make any necessary adjustments to your spending and saving habits.

Remember, budgeting is a flexible process, and it's okay to make changes as your financial situation evolves. By following these steps, you can take control of your finances and work towards a more secure financial future.

Budgeting Basics Worksheet

Use this worksheet to create and manage your budget effectively.

Step 1: Calculate Your Monthly Income

Primary Income:

- Monthly Salary/Wages: \$ _____
- Other Income Sources: \$ _____
- Total Monthly Income: \$ _____

Step 2: List Your Monthly Expenses

Fixed Expenses:

- Rent/Mortgage: \$ _____
- Utilities (Electricity, Water, Gas): \$ _____
- Phone/Internet: \$ _____
- Insurance (Health, Auto, Home): \$ _____
- Loan Payments (Student Loans, Car Loans): \$ _____
- Other Fixed Expenses: \$ _____
- Total Fixed Expenses: \$ _____

Variable Expenses:

- Groceries: \$ _____
- Transportation (Gas, Public Transit): \$ _____
- Dining Out: \$ _____
- Entertainment: \$ _____
- Clothing/Personal Care: \$ _____
- Health/Medical Expenses: \$ _____
- Miscellaneous: \$ _____
- Total Variable Expenses: \$ _____

Step 3: Calculate Your Total Expenses

Total Monthly Expenses:

- Fixed Expenses: \$ _____
- Variable Expenses: \$ _____
- Total Expenses: \$ _____

Step 4: Determine Your Disposable Income

Disposable Income:

- Total Monthly Income: \$ _____
- Total Monthly Expenses: \$ _____
- Disposable Income (Total Income - Total Expenses): \$ _____

Step 5: Review and Adjust Your Budget

Budget Analysis:

- Are you spending within your means?
- Do you have enough left over for savings and emergencies?
- Are there any areas where you can cut back or adjust your spending?

Step 6: Set Financial Goals

Financial Goals:

- Short-Term Goals (e.g., Paying off debt, Building an emergency fund)
- Long-Term Goals (e.g., Saving for retirement, Buying a home)
- How much do you need to save each month to achieve your goals?

Step 7: Track Your Spending

Spending Tracker:

- Keep track of your expenses throughout the month to see how well you're sticking to your budget.
- Adjust your spending habits as needed to stay on track and reach your financial goals.