

## 12 QUICK AND EASY STEPS TO CREATING YOUR BUDGET

<b>Step 1.</b>	<p>In <b>Table 1</b>, fill in the estimated dollar amount that you spend on <b>Essential Expenses</b> in the column labeled "<b>Current Spending</b>."</p> <p>Use the blank lines to describe additional expenses that are not already listed.</p>
<b>Step 2.</b>	<p>Add the total of all of your <b>Current Essential Monthly Expenses</b> in the <b>Monthly Expenses</b> row (first column).</p>
<b>Step 3.</b>	<p>In <b>Table 2</b>, fill in the estimated dollar amount that you spend on <b>Other Expenses</b> in the column labeled "<b>Current Spending</b>."</p> <p>Use the blank lines to describe additional expenses that are not already listed.</p>
<b>Step 4.</b>	<p>Add the total of all of your <b>Other Monthly Expenses</b> in the <b>Total Other Expenses</b> row (first column).</p>
<b>Step 5.</b>	<p>Write the <b>Total Essential Monthly Expenses</b> number from <b>Table 1</b> in the <b>Monthly Expenses</b> row in <b>Table 2</b> (first column).</p>
<b>Step 6.</b>	<p>At the bottom of <b>Table 2</b>, add the <b>Total Other Monthly Expenses</b> and <b>Total Essential Monthly Expenses</b> to get <b>Total Living Expenses</b>.</p>
<b>Step 7.</b>	<p>Copy the <b>Total Living Expenses</b> number into the <b>Total Monthly Living Expenses</b> formula below.</p>
<b>Step 8.</b>	<p>Calculate your <b>Monthly Gross and Net Income</b>. Your <b>Net income</b> is your <b>Gross Income</b> minus taxes and other withholdings, like 401k, are deducted.</p>
<b>Step 9.</b>	<p>Copy the <b>Total Net Income</b> number into the <b>Total Net Monthly Income</b> column to the right.</p>
<b>Step 10.</b>	<p>Using the formula above, subtract <b>Total Monthly Living Expenses</b> from <b>Total Net Monthly Income</b>. <b>If the number is positive</b>, then you are living within your budget and should consider investing the "excess" money in a savings account or other investment option, or payoff outstanding debts. <b>If the number is negative</b>, you are spending more than your income allows. Go to Step 11.</p>
<b>Step 11.</b>	<p>Review each line in <b>Tables 1 &amp; 2</b>. Determine if you can save additional money by reducing certain expenses, especially those in <b>Table 2</b>. Write these reductions in the <b>Changes</b> column. You may be surprised just how much money you find with your budget.</p>
<b>Step 12.</b>	<p>Write the new values for your monthly expenses in the <b>Planned Budget</b> row in <b>Table 2</b> and calculate your <b>Planned Budget</b>.</p>
	<p>Your <b>Planned Budget</b> represents your goal for next month. Monitor your budget at the end of the month compare them with your budget.</p> <p>Make modifications to your budget as necessary.</p> <p><b>taking your first step to better money management!</b></p>



## BUDGET:

Final Monthly

on the list.

Total Essential

Monthly Expenses in

on the list.

Monthly Expenses

Total Essential

the Total Essential

expenses blank in the

income after income

blank in the formula

Total Net Monthly

count, money market,  
is **negative**, then

money by reducing  
the **Necessary**  
without adding any new

columns of Tables 1 &

expenses, and at the

**Congratulations on**

