

Table 1	CURRENT SPENDING	NECESSARY CHANGES	PLANNED BUDGET
ESSENTIAL MONTHLY EXPENSES	\$	\$	
Home			
Rent or Mortgage			
Electricity			
Water/ Sewer/ Garbage			
Telephone - Local			
Telephone - Long Distance			
Food			
Groceries			
School Lunches			
Work Lunches			
Transportation			
Car Payment			
Car Insurance			
Gasoline			
Repairs and Maintenance			
Public Transportation (e.g., bus, train)			
Other Basic Expenses			
Child Care			
Child Support			
Clothing			
Haircuts/Personal Care			
Insurance: Life, Health, Disability, etc.			
Laundry, Dry Cleaning			
Medical and Dental			
Prescriptions			
Newspaper			
Cable TV			
School Expenses			
Taxes: IRS, Property			
Savings			
Emergencies			
Long-Term Goals			
Retirement			
Short-Term Goals			
Total Essential Monthly Expenses	0.00	0.00	0.00

Table 2	CURRENT SPENDING	NECESSARY CHANGES	PLANNED BUDGET
OTHER MONTHLY EXPENSES	\$	\$	\$
Credit Card Payments			
Installment Loan Payments			
Entertainment			
Eating Out or Ordering In			
Movie Tickets			
Plays/Concerts			
VCR/DVD Movie Rentals			
CDs, Tapes, Music Supplies			
Sporting Events			
Internet Access Fees			
Books, Magazines, Newspapers			
Clubs/Organizations			
Gym or Health Club Dues			
Club Dues/Expenses (scouts, soccer, etc.)			
Professional Organization Dues			
Social Organization Dues			
Gifts and Donations			
Gifts and Cards (avg. for holidays, birthdays)			
Religious Tithes			
Charitable Contributions			
Pets			
Veterinary Expenses (average)			
Pet Food			
Miscellaneous Expenses			
Children's Allowances			
Vacations			
Occupational License Fees			
Cigarettes, Tobacco Products			
Alcoholic Beverages			
Snacks (work, convenience stores, vending)			
Total Other Expenses	0.00	0.00	0.00
Total Essential Monthly Expenses	0.00	0.00	0.00
Total Living Expenses	0.00	0.00	0.00

	GROSS INCOME	NET INCOME	(Total Net Monthly Income) - (Total Monthly Living Expenses) = (+ or -)
MONTHLY INCOME	\$	\$	0.00
Income 1			
Income 2			
Other Income (Child support, social security, military retirement, etc.)			
TOTAL GROSS/NET INCOME	0.00	0.00	0.00

Step 11 Step 12

Step 1

Step 3

Step 2

Steps 4 & 5

Steps 6 & 7

Step 8

Step 9

Steps 10

CREATING AN EFFECTIVE PERSONAL BUDGET

Step 1.	In Table 1 , fill in the estimated dollar amount that you spend on Essential Monthly Expenses in the column labeled " Current Spending ." Use the blank lines to describe additional expenses that are not already on the list.
Step 2.	Add the total of all of your Current Essential Monthly Expenses in the Total Essential Monthly Expenses row (first column).
Step 3.	In Table 2 , fill in the estimated dollar amount that you spend on Other Monthly Expenses in the column labeled " Current Spending ." Use the blank lines to describe
Step 4.	Add the total of all of your Other Monthly Expenses in the Total Other Monthly Expenses row (first column).
Step 5.	Write the Total Essential Monthly Expenses number from Table 1 in the Total Essential Monthly Expenses row in Table 2 (first column).
Step 6.	At the bottom of Table 2, add the Total Other Monthly Expenses and the Total Essential Monthly Expenses to get Total Living Expenses .
Step 7.	Copy the Total Living Expenses number into the Total Monthly Living Expenses blank in the formula below.
Step 8.	Calculate your Monthly Gross and Net Income . Your Net income is your income after income taxes and other withholdings, like 401k, are deducted.
Step 9.	Copy the Total Net Income number into the Total Net Monthly Income blank in the formula to the right.
Step 10.	Using the formula above, subtract Total Monthly Living Expenses from Total Net Monthly Income. If the number is positive , then you are living within your budget and should consider investing the "excess" money in a savings account, money market, or other investment option, or payoff outstanding debts. If the number is negative, then you are spending more than your income allows. Go to Step 11.
Step 11.	Review each line in Tables 1 & 2. Determine if you can save additional money by reducing certain expenses, especially those in Table 2. Write these reductions in the Necessary Changes column. You may be surprised just how much money you find without adding any new income.
Step 12.	Write the new values for your monthly expenses in the Planned Budget columns of Tables 1 & 2 and calculate your Planned Budget.
	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!