

CARROLLTON BANK

Start with a Budget

Budgeting Basics

A budget is a plan for your day-to-day spending. If you don't take the time to make a plan for how you're going to spend your income, there's no way to keep track of where your money goes. This will help you:

- Keep on track with your goals
- Choose where to spend your money
- Make choices based on good information
- See if you're living within your means
- Start a savings plan
- Get more control over your future

Building Your Budget

Using the worksheet on page 3, list all your sources of income, including:

- Paycheck
- Pension
- Social Security
- Bonus
- Gifts
- Rental income
- Interest
- Dividends
- Child support / Alimony
- Earned income credit
- Tax refund
- Other

Next, write down all your spending for at least one month. Include bills you pay, what you spend on food, household items, recreation, and incidentals. If you don't include everything, you won't have an accurate spending figure. Track expenses by keeping receipts for everything you buy, or by using a notebook, checkbook, or use an online budgeting program.

Then, put your spending into categories like housing, utilities, food, transportation, medical, clothing, donations, savings, or any categories that make sense as you look at your spending.

Compare how much you're spending each month to your income. If your income is greater than your expenses, save more. If you spend more than your income, use the budget worksheet to adjust your spending habits. As you get your expenses under control, you can save more for your future.

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Managing Your Spending Plan

The key to a successful spending plan is managing it in a way that works so well for you it becomes a habit:

- Track expenses monthly
- Pay bills regularly
- Balance your checkbook monthly
- Review your goals annually or at major life changes
- Make sure your spending plan fits with your goals

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Your Budget (Spending Plan)

Income	Budget	Actual	Difference
Job #1:	\$ _____	\$ _____	\$ _____
Job #2:	\$ _____	\$ _____	\$ _____
Other:	\$ _____	\$ _____	\$ _____
Total monthly income:	\$ _____	\$ _____	\$ _____

Expenses	Budget	Actual	Difference
Fixed Expenses			
Rent:	\$ _____	\$ _____	\$ _____
Car payment :	\$ _____	\$ _____	\$ _____
Car insurance:	\$ _____	\$ _____	\$ _____
Savings:	\$ _____	\$ _____	\$ _____
Utilities:	\$ _____	\$ _____	\$ _____
Flexible Expenses			
Cell phone:	\$ _____	\$ _____	\$ _____
Food:	\$ _____	\$ _____	\$ _____
Gas for car:	\$ _____	\$ _____	\$ _____
Clothes:	\$ _____	\$ _____	\$ _____
Entertainment:	\$ _____	\$ _____	\$ _____
Personal items:	\$ _____	\$ _____	\$ _____
Gifts:	\$ _____	\$ _____	\$ _____
Other:	\$ _____	\$ _____	\$ _____
Other:	\$ _____	\$ _____	\$ _____
Other:	\$ _____	\$ _____	\$ _____
Total monthly expenses:	\$ _____	\$ _____	\$ _____

Total actual monthly income: \$ _____

Total actual monthly expenses: \$ _____

Difference: \$ _____

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Adjusting a budget

Use this example and the worksheet to see how to rework a spending plan.

Debra works part-time at a cell phone company and part-time at a gas station. Her net monthly income is \$600 from her first job, plus \$800 from her second job.

She planned for these fixed monthly expenses:

- \$200 for rent (she shares an apartment with two friends)
- \$175 for car payment
- \$220 for car insurance

She planned for these flexible monthly expenses:

- \$100 (to save for going to trade school)
- \$150 for food
- \$40 for gas and oil
- \$50 for clothes
- \$60 for entertainment
- \$30 for personal items

How her month actually went:

1. Her income:

- Debra made her regular wages plus \$45 in overtime pay this month

2. Her fixed regular expenses:

- Rent went up to \$225, starting this month
- Her monthly car payment was \$175
- Her monthly car insurance premiums, as of this month, went up to \$295

3. Her other expenses:

- \$190 for food (she had a dinner party for which she hadn't budgeted)
- \$60 for gas and oil (her car needed an oil change)
- \$34 for parking and bridge tolls
- \$220 for car repairs
- \$80 for a new pair of running shoes
- \$70 for entertainment
- \$60 for personal items
- \$36 for a birthday present for her mother
- Debra got two speeding tickets in one week; the total cost of both tickets is \$230

Plug Debra's real numbers into the worksheet and see what adjustments she has to make to her plan. Then do the same for *your* numbers.