



# Managing Your Money

## Budget worksheet

The first step in creating a budget means either analyzing your past spending, or tracking your future spending, relative to your income.

If you're using your past spending history, collect your receipts, credit card bills and use your checkbook register for the past few months to figure out how much you spend in each category. Write those amounts in the columns to the right. Then add the amounts in Months

1, 2 and 3 for each line item, and divide by 3. Record this number in the "3-Month Average" column to get an idea of what you spend in a typical month. Averaging your spending over three months rather than basing it on one month can give you a more accurate picture of your true spending patterns. If you haven't kept detailed records in the past, you can use this chart to track your spending over the next few months.

Income	Month 1	Month 2	Month 3	3-Month Average	Planned	Difference
Salary	_____	_____	_____	_____	_____	_____
Bonuses	_____	_____	_____	_____	_____	_____
Interest income	_____	_____	_____	_____	_____	_____
Other income	_____	_____	_____	_____	_____	_____
<b>Total Income:</b>	_____	_____	_____	_____	_____	_____
<b>Expenses</b>						
Housing	_____	_____	_____	_____	_____	_____
Food (groceries, dining out)	_____	_____	_____	_____	_____	_____
Clothing	_____	_____	_____	_____	_____	_____
Auto (car payment, gas)	_____	_____	_____	_____	_____	_____
Phone	_____	_____	_____	_____	_____	_____
TV/Cable	_____	_____	_____	_____	_____	_____
Insurance (home, auto, etc.)	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____
Gifts/charities	_____	_____	_____	_____	_____	_____
Utilities (gas, water, electric)	_____	_____	_____	_____	_____	_____
Miscellaneous	_____	_____	_____	_____	_____	_____
<b>Total Expenses:</b>	_____	_____	_____	_____	_____	_____

Now that you've seen how much you tend to spend in a particular area, determine how much you'd like to spend on that expense each month. Record this amount in the "Planned" column. Once you've come up with a final allocation for each category, subtract your "3-Month Average" expenses from your "Planned" expenses, and record these numbers in the "Difference" column. They're the difference between your current spending habits and your newly allocated amount.

You've now created your budget! Look for areas that have large differences and begin to think about ways to cut back spending in those categories. You probably won't be able to change some expenses, such as your insurance or childcare costs. Others, such as entertainment or clothing, may provide you with more flexibility to scale back your spending.