



Making Budgets Work

PARTICIPANT'S GUIDE

Table of Contents

Setting Your Goals	3
Sources of Income	3
Expense Tracker	4
Debts	5
Your Discretionary Income	5
The 50/30/20 Budgeting Rule	6
Calculating Percentage Spent: Needs and Wants	6
Cutting Expenses	7

Setting Your Goals

Goal	Amount	Time
<i>Build emergency savings</i>		

Sources of Income

List all your sources of income. Enter the net amount for each source (the amount you actually take home after considering taxes and other deductions). If your income changes from month to month, try to find an average.

Income Source	Amount Each Month
TOTAL MONTHLY INCOME	\$

Expense Tracker

List all your monthly expenses. This will include expenses in the following categories, in addition to other unlisted expenses:

- **Home:** mortgage, rent, insurance, utilities
- **Food:** groceries, coffee, snacks, dining out
- **Family:** child support, daycare, school supplies, laundry
- **Transportation:** gas, car insurance, bus fare, maintenance
- **Health:** medicine, insurance, office visits, personal hygiene
- **Leisure:** subscriptions, tickets, rentals, entertainment

**Mortgage is the only debt you should list here. All other debts (like auto and student loans) should be recorded in the next section.*

Expense	Average Monthly Cost	Want or Need?
DEBTS		
TOTAL MONTHLY EXPENSES (Average):	\$	

Debts

Listing your debts will help you create a plan to pay them off. **Do not** include mortgage debt (this should be listed in your monthly expenses under “Home”). **Do** include debts such as:

- Car payment
- Student loans
- Credit cards

List each debt separately. For instance, if you have multiple credit cards, list each on its own line. Add up the total monthly payments and the total balance. Apply the total monthly payment figure to your Expense Tracker under “Debts.”

Debt	APR %	Monthly payment	Balance
TOTALS		\$	\$

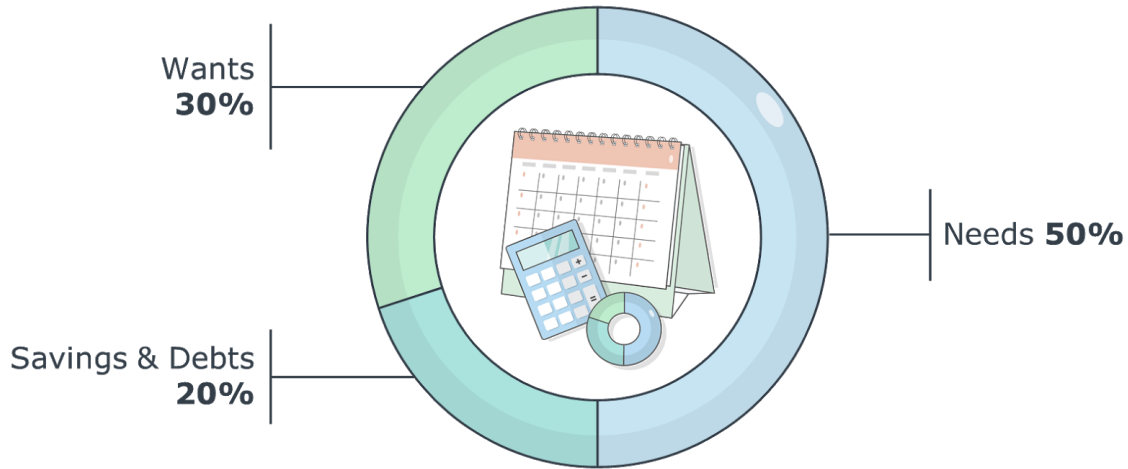
Your Discretionary Income

To calculate your discretionary income, subtract your average monthly expenses (including Debts) recorded on the Expense Tracker from your total income recorded on the Sources of Income table. This is the amount you are able to apply currently towards savings or paying down your debts.

$$\begin{array}{rcccl}
 \$ \underline{\hspace{2cm}} & - & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Total Monthly} & & \text{Total} & & \text{Discretionary} \\
 \text{Net Income} & & \text{Monthly Expenses} & & \text{Income}
 \end{array}$$

The 50/30/20 Budgeting Rule

Your Monthly Net Income \$ _____



Calculating Percentage Spent: Needs and Wants

What percentage of your income is paying for your NEEDS?

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & \div & \$ \underline{\hspace{2cm}} & = & \underline{\hspace{1cm}} & \times 100 & \underline{\hspace{1cm}} \% \\
 \text{Needs Total} & & \text{Monthly} & & & & \\
 & & \text{Net Income} & & & &
 \end{array}$$

What percentage of your income is paying for your WANTS?

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & \div & \$ \underline{\hspace{2cm}} & = & \underline{\hspace{1cm}} & \times 100 & \underline{\hspace{1cm}} \% \\
 \text{Wants Total} & & \text{Monthly} & & & & \\
 & & \text{Net Income} & & & &
 \end{array}$$

Cutting Expenses

Cutting your expenses is an important way to free up funds so that you can reach your savings goals. Take a moment to brainstorm areas where you may be able to trim some expenses.

Expense	How much or what can be cut?	How much will it free up?