

## Steps to Creating a Monthly Budget

1. Identify which method of documentation you prefer (pen & paper, Excel spreadsheet, or web application/Mobile app)
2. Create a list of all monthly income and label each (Include regular pay, income from secondary sources, bonuses, child support, alimony, social security, disability, etc.). Always account for any payments that you receive.
3. Create a list of monthly expenses and label each. Create a list of expenses that do not occur monthly. This will include car maintenance such as oil changes, vehicle registration, tax bills, membership dues, annual fees from credit card or other annual subscription services, etc.
4. Categorize your expense items in order of importance (Ex.: Mortgage/Rent, Utilities (electricity, water, gas), Groceries, Car Loan, Car insurance, etc.) Ensure priority items are listed first and less importance items listed further down. This way if a financial hardship arises. You should begin to reduce or cut out those low-level priority expenses first.
5. Enter income and expense information into your method of documentation. You will need to itemize each item in each category. This way you ensure that nothing is missed. (Example: Credit Card – you may have multiple cards so list them out separately. The same with auto loans, mortgages, subscription services, etc.)



Once all your itemized income and itemized expenses are entered into your document you can see your financial snapshot. With this picture, you can clearly see where you are and begin to chart out your next course of action.

The budget that I use is Every Dollar by Dave Ramsey. You can access it on the web and on mobile app. It is designed to account for every dollar. With Every Dollar, your budget is not completed until every dollar is itemized into a category. The plan is to help you see any extra money remaining and begin saving it. You need to begin to save regularly, no matter how large or small the amount.

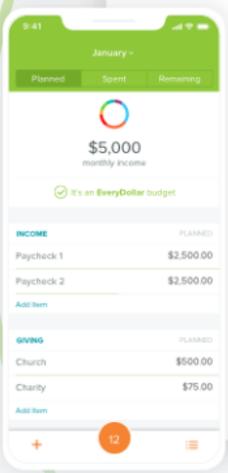
It is important that you review your budget regularly. With Every Dollar budget, you enter all your transactions. It helps to remind you to pay your bills and to track them from receipt to payment. For some people, their income fluctuates because they are paid hourly wages and the total amount of hours vary from week to week. For others, they are salaried workers whose pay remain the same no matter how many hours they work per week. The budget should reflect these changes in order to work effectively. This same principal applies with your regular expenses too. For example, utility bills will vary from winter months and summer months. In some regions of the US, utility bills will be higher in the winter because it takes more power to heat the home during the colder months than it will to keep the home cool during the summer.

You must pay special attention to those seasonal expenses. This will include vehicle maintenance, vacations, annual fees, taxes, etc. These are expenses that may occur once a year or only occur as needed. These are expenses that are easily forgotten like gym memberships or streaming services that are billed annually. It is a good idea to identify all expenses that you have on autopay. This way you must ensure that there is always an adequate amount of money in your bill payment account.

A bill payment account is not required, but several people find this useful in to keep savings and expenses separate. As you get your budget organized, it will benefit you to keep funds separate so they cannot be spent on accident because of timing or forgetfulness. You may have heard of people having a vacation account. This way their vacation fund is left untouched until they are ready to use it. I suggest creating accounts for emergency funds, vehicle expenses (maintenance, registration, etc.), taxes, and other expense that you know will come up. The funds are guaranteed to be there, and this will reduce the chance to forget about these expenses.



- Budget
- Baby Steps
- Local Providers
- Financial Peace

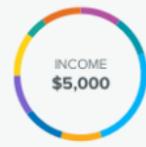


## January

It's an EveryDollar Budget!

Accounts Transactions

INCOME for January		
	Planned	Received
Paycheck 1	\$2,500.00	\$0.00
Paycheck 2	\$2,500.00	\$0.00
+ Add Income	\$5,000.00	\$0.00



GIVING		
	Planned	Remaining
Charity	\$500.00	\$500.00
+ Add Item		

	PLANNED	SPENT	REMAINING
Giving		\$500.00	(10%)
Savings		\$500.00	(10%)
Housing		\$1,250.00	(25%)
Transportation		\$500.00	(10%)
Food		\$520.00	(10%)
Personal		\$480.00	(10%)
Lifestyle		\$520.00	(10%)
Health		\$250.00	(5%)
Insurance		\$480.00	(10%)
Debit		\$0.00	(0%)

SAVINGS		
	Planned	Remaining
Emergency Fund	\$600.00	\$600.00
+ Add Item		

HOUSING		
	Planned	Remaining
Mortgage/Rent	\$1,250.00	\$1,250.00
Electricity	\$100.00	\$100.00