

Budgeting: It's GPS for Your Money

A budget is nothing more than your plan for how you will spend your money. Planning how you'll spend your money before you actually spend it can be a great way to stretch your dollars and avoid unnecessary spending that you might regret later. It can be a weekly, monthly or annual plan. To plan effectively, you'll need to know or be able to estimate your income and expenses. It may seem like a large task, but it can be more manageable if you follow a few basic steps.

1. List all of your income sources and amounts: part-time job earnings and money you've allotted for monthly expenses from student aid/loans, parents contributions and savings.
2. List all the expenses you have that are the same amount every month. These are your fixed expenses.
3. To help identify your actual spending habits, for two to four weeks try carrying a small notebook and write down every purchase you make, whether you pay cash, debit or use credit. You might try debiting all expenses for a few weeks and then you will have created an electronic log. These are variable expenses.
4. Think about the other variable expenses you may have that occur irregularly. For example, how many times per year do you get your hair cut and how much does that cost? How about car insurance? Calculate a monthly average for irregular expenses.
5. This process should get you thinking about items you need to buy vs. items you want to buy. Are there obvious areas where you can reduce your expenses?
6. Do you need to consider finding ways to increase your income?
7. Use the Budget Sheet below to help you.

Monthly Personal Budget

Income	
Earnings from Work	\$
Monthly allotment from:	
Savings	\$
Money from Family	\$
Student Aid	\$
Other	\$
Total Income	\$
Expenses	
Billed Monthly Expenses:	
Rent	\$
Utilities (heat, electric, etc.)	\$
Phone/Data Plan	\$
Cable/Internet	\$
Other	\$
Out-of-Pocket Expenses:	
Food	\$
Transportation	\$
Credit Cards	\$
Clothing	\$
Laundry	\$
Entertainment	\$
Gifts	\$
Personal/Miscellaneous	\$
Savings	\$
Other	\$
Total Expenses	\$
Total Income – Total Expenses	\$