

**F.Y.I. For Your Information**

MONEY MANAGEMENT

Money management or budgeting is the process of balancing income and expenses. We need to balance the amount of money we make with the amount of money we spend. Good money management can only occur with a written plan or budget.

**STEP ONE – HOW MUCH MONEY DO I HAVE TO WORK WITH?**

Determine your gauranteed income for a month. Count only what you know you will receive - if you might have overtime but are unsure do not include this in your budget.

**STEP TWO – BUILDING A BUDGET**

List your mandated bills - bills that must be paid each month (i.e. rent, utilities, car payment etc.)

List your variable bills - bills that total due may vary from week to week and costs that could be reduced if necessary (food, telephone, entertainment). To figure out a reasonable amount to budget for a given bill, average the amount you paid in the last six payments.

**STEP THREE – FIND HIDDEN COSTS AND WASTED SPENDING**

**How Much Do I Spend? -- Where Do I Spend My Money?**

* For one Month Keep the receipts for EVERY purchase you make.
* Carry a notepad with you so if you do not get a receipt you can write one (ex. when you purchase a soda from a vending machine). Did you remember the parking meter money, the tip for the waitress, the stamps you bought, the .50 you lent Bob etc. Nickels and dimes add up over a months time, make sure you list EVERYTHING you spend money on.
* At the end of the month list your purchases and total the cost. SURPRISE!!!!

**STEP FOUR – BALANCING THE BUDGET**

If your budget does not balance you have two choices:

1) increase your income or

2) decrease your expenses (refer to step three)

* Determine what expenses are unneeded. Eliminate them.
* Determine what expenses can be reduced.
* Start a savings account for emergency expenses
* Where are you wasting money????? STOP DOING IT !!!!!!!

**INVEST IN YOUR FUTURE SPEND TIME PLANNING AND BUDGETING YOUR MONEY!!!**

**BUDGET WORKSHEET**

|  |  |  |
| --- | --- | --- |
| **INCOME** | **Current** | **Adjusted** |
|  |  |  |
| **Monthly Work Income** |  |  |
| **Monetary Gifts** |  |  |
| **Other Income** |  |  |
|  |  |  |
| **“NEED” EXPENSES** |  |  |
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| **Housing** |  |  |
| **Electric Costs** |  |  |
| **Water/Sewage** |  |  |
| **Car Payment – Bus Pass** |  |  |
| **Car Insurance – Emergency Taxi** |  |  |
| **Gas – Car Pool Expenses** |  |  |
| **Groceries (“Needs Only”)** |  |  |
| **Daycare Expenses** |  |  |
| **Tuition** |  |  |
| **Books** |  |  |
| **Health Insurance** |  |  |
| **Credit Card (No New Charges)** |  |  |
| **Entertainment Night In (Minimal Expense)** |  |  |
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| **“WANT” EXPENSES** |  |  |
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| **Cell Phone Basic Service** |  |  |
| **Groceries (Specialty Items)** |  |  |
| **Entertainment Expenses (Night Out)** |  |  |
| **Basic Cable** |  |  |
| **Gifts For Others** |  |  |
| **Extra Credit Card Payment** |  |  |
| **Clothes** |  |  |
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| **EXPENSES TO ELIMINATE 100%** |  |  |
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| **Tobacco Products** |  |  |
| **Energy Drinks** |  |  |
| **Fast Food** |  |  |
| **Lottery Tickets** |  |  |
| **Anything W/Questionable Legality** |  |  |
| **Payday Loans/ Late Fees Of Any Kind** |  |  |
| **Any Vending Machine Purchase** |  |  |
| **Designer Names Or 50% Or More Off** |  |  |
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