

Budgeting.

Never before have so many people needed to get back on track with their finances. Serious times call for serious solutions, but budgeting doesn't have to be difficult and it can even be fun.

- **The fun part:** Set aside one evening each month for you and your spouse to break open a bottle of wine, share your dreams, your future and your financial progress.
- **The serious part:** You must first understand your actual financial situation before you can begin budgeting. Start by filling in the cash flow budget form below.

*First, determine the after-tax income that comes into your home. Include all household income and record it on a monthly basis.

*Next, record your Monthly Expenses in the "actual" column. Some of these numbers are easy to pin down, your mortgage or rent for instance. Some are yearly or weekly expenses such as municipal taxes or groceries, that you will need to break out on a monthly basis. Other expenses such as clothing may require some time and thought before you can determine them. You may need to review your expenses over the last year or, if you are without records, you can record them for a month or two before beginning your budget project.

*Use the "budget" column to set your objectives for the coming year. Once you have laid out your expenses, you will be able to see exactly where your money is going and where you can reduce your expenses. Some expenses cannot be reduced in the short run, eg mortgage payments, but others may be ripe for reduction. Your budget objective should be to reduce expenses wherever possible in order to reduce debt and create more disposable income.

Once you have gone through this process, you will be amazed at how significant a few simple changes can be to the overall financial health of your household.

- **CAUTION:** A budget is only as good as it is realistic. Your budget must make sense. Do not set your budget expenses too low or you will get discouraged. Start by reducing expenses that seem wasteful and will not cause unnecessary hardship for family members.



BUDGETING TIPS

MONTHLY BUDGET			
MONTHLY NET INCOME	ACTUAL	BUDGET	DIFFERENCE
Salary			
Other Income			
Total Net Income			
MONTHLY EXPENSES	ACTUAL	BUDGET	DIFFERENCE
Mortgage/Rent/Condo Fees			
Municipal taxes			
Home insurance			
Utilities			
Phone—Fax/Internet/Cell/etc.			
Groceries			
Dining Out			
Auto Insurance			
Auto—Gas/Repairs/Plates/etc.			
Other Transportation			
Loans/Credit Cards			
Interest/Service Charges			
Savings Fund			
Children's Education Fund			
Life Insurance			
Health Insurance			
Medical/Dental			
Child Care			
Clothing/Shoes			
Sports/Activities			
Entertainment			
Vacation Fund			
Gifts/Donations			
Club Memberships			
Newspapers/Subscriptions			
Total Expenses			
DISPOSABLE INCOME			