Build a budget

Make a plan to live within your means

No matter what your income, having a budget helps you plan and manage your money. It also helps you get a grip on your spending. You can use a budget-making tool, such as a free one from **mint.intuit.com**, or download and use one of the many free mobile apps. You can write one on your own with a pencil and paper.

Action Step

If you are spending more than you earn, prioritize and cut back on variable expenses. If you still have money left over after paying your bills and putting money into savings, carry over the extra for future expenses.

START BY LISTING YOUR TOTAL MONTHLY INCOME

Include your take-home pay, alimony, child support, unemployment, social security, and public aid. If you are self-employed, work on commission, or freelance, your income can vary from month to month. Estimate a monthly amount based on your average income for the past three to six months.

TRACK EXPENSES

First, list your monthly needed expenses that are fixed – mortgage or rent, property taxes, phone, cable, internet, cellphone, car payment, or public transit costs. Include other monthly expenses, such as loan payments, tuition and/or student loans, insurance premiums, church donations, and others.

IDENTIFY VARIABLE EXPENSES

These include what you spend weekly, monthly, two or four times a year, and yearly for:

- Groceries
- Restaurant meals, snacks, coffee and other drinks
- Gas and upkeep for your car
- Electric, gas, and water bills
- Property taxes
- Credit card payments
- Entertainment – Movies, subscription and streaming services, concerts, golf, toys, and social events
- Clothes and shoes
- Haircuts, cosmetics, and toiletries
- Gifts for birthdays, holidays, weddings, etc.
- Household items and home improvements
- Vacation

You can get amounts for many of these from monthly statements for your credit cards, debit cards, and checking and saving accounts. Otherwise, get and keep receipts for everything you pay for. You may be surprised by how much you spend on coffee drinks, food, liquor, and tips when eating out.

Once you know how you're spending your money, set some goals on how you want to manage your money going forward. For example, put some of your income into a savings account. Do this yourself from your take-home pay or have a pre-set amount automatically deposited into a savings account.