

LET'S BUILD *Your* BUDGET

1 ADD UP YOUR MONTHLY INCOME.

Write down your planned monthly **net income** (or your take-home pay). Remember, that's any money you earn or receive during the month. This is how much you can spend for the month. Simple!

INCOME	Planned
Total	

EXPENSES	Planned
Giving	
Saving	
Spending	
Total	

2 WRITE DOWN EVERY EXPENSE.

Start with giving, then savings. Your budgeted savings should take into account your short-, medium-, and long-term savings goals. Then, list all remaining planned expenses in order of priority—essentials like your cell phone bill first and nonessential expenses last.

Leave a little room in your budget for unexpected expenses. This shouldn't be much—aim for 5–10% of your income. This miscellaneous category comes in handy for those moments when you realize you forgot to buy your cousin a birthday gift or you didn't budget money for a school field trip. If you don't use all the money in this category, put it toward one of your savings goals.

Remember, your budget gives you permission to spend your money on things you want. So, leave some room for fun after the essentials are covered!

3 SUBTRACT YOUR EXPENSES FROM YOUR INCOME TO EQUAL ZERO.

Don't be surprised if your income and expenses don't balance out right away. That just means you need to adjust how much money you're budgeting in your categories until the bottom line comes to zero. It will take a while for you to really get the hang of budgeting. Your first monthly budget may be way off, but by the third month you'll be pretty good at it—so don't give up!

INCOME	
- EXPENSES	
= \$0	