

Budgeting

Building good money habits for your future.





Start now for **Saving Success**

Your budget should really show what's going on with your money, help you keep your spending in check, shift money around when you need to, and give you some financial structure. It should also be an easy and flexible plan to help you manage your money. Budgeting doesn't have to be hard. Just keep it simple by using a budgeting tool that works for you.

Why you need a budget.

- Reach your financial goals.
- Be in charge and feel confident about your finances.
- Prioritize and control debt.
- Ensure you do not spend money you don't have.
- Live within your means.
- Be prepared for emergencies and unplanned financial events.



Sticking to your budget can help you in these ways:

- Improve finances.
- Make your savings grow.
- Allocate and spend a steady source of income.
- Be prepared for financial needs and minimize unnecessary spending.
- Create a roadmap to help you figure out where you are, where you want to go, and how to get there.

Budget Building

3 Steps to creating a realistic and affordable budget.

- Calculate your monthly income.
- Estimate your monthly fixed & variable expenses.
- Calculate the difference and make adjustments.

Don't forget to pay yourself first.

- Once all your bills are paid, pay yourself by transferring any remaining money into your savings account
- Create an emergency fund.
- Establish a savings retirement account.



Sample Budget Category Guidelines

Expenses	Percentage	Amount
Housing	35%	\$
Transportation	15% - 20%	\$
Food	10% - 20%	\$
Debt Payments	5% - 15%	\$
Personal	5% - 15%	\$
Savings	5% - 10%	\$
Utilities	5%	\$
Clothing	3% - 5%	\$
Medical	3% - 5%	\$
Subtotal		\$

Note: Annual budget guideline percentages are for a budget aimed at savings. High expenses for daycare, higher education debt, and/or medical payments can disrupt balance, but that's ok. Remember bottom line: avoid spending more than you earn.

Monthly Budget

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Fixed Expenses

Savings	Amount
Emergency Fund	\$
Investments	\$
Retirement	\$
Vacation	\$
General	\$
Subtotal	\$

Housing & Utilities	Amount
Rent/Mortgage	\$
Insurance	\$
Sewer/Water/Garbage	\$
Heat/Oil/Gas	\$
Electricity	\$
Cable/Internet/Cell Phone	\$
Household Supplies	\$
Subtotal	\$

Auto Debit Payments	Amount
Car Payment	\$
Credit Card Payments	\$
Personal Loans	\$
Student Loans	\$
Subtotal	\$

Transportation	Amount
Car Insurance	\$
Car Maintenance	\$
Public Transportation	\$
Parking & Tolls	\$
Subtotal	\$

Medical	Amount
Health/Life Insurance	\$
Doctor/Dentist	\$
Prescriptions/Glasses	\$
Subtotal	\$

Variable Expenses

Housing & Utilities	Amount
Groceries	\$
Laundry/Dry Cleaning	\$
Dining Out	\$
Personal Care	\$
Clothing/Shoes	\$
Child Care	\$
Pet Care	\$
Entertainment	\$
Other	\$
Subtotal	\$

Your Monthly Income

Monthly Income	Amount
Monthly Take Home Pay	\$
Monthly Other Income	\$
Total Monthly Income	\$

Total Monthly Expenses

Total Monthly Expenses	Amount
Savings	\$
Housing	\$
Auto Debt Payments	\$
Medical	\$
Transportation	\$
Food, Clothing, Personal	\$
Total Monthly Expenses	\$

Budget Review

Budget Review	Amount
Total Monthly Income	\$
Total Monthly Expenses	\$
Surplus or Deficit	\$



Tips & Strategies

Budget Adjustment

- Your budget is like a roadmap that can be adjusted as things change. Just make sure your budget is realistic.
- Check out your income and spending estimates and compare them to your numbers.
- Tweak your plan and try to minimize the negative impact of what you can control.
- Make a plan to reach your goals.

Pay Your Bills Then Yourself

- Make sure you have some money set aside for emergencies that can cover your living expenses for three to six months.
- Develop the habit of spending less money than you earn and saving the difference.
- Create a savings account and regularly contribute to it.
- Make sure to stash your cash in a bank account that earns interest.
- Sign up for your company's retirement plan, such as a 401(k) or 403(b).
- Start an investment plan you are comfortable with.
- Reinvest all your profits and dividends from investments to maximize your earnings.
- Track your daily spending for a few weeks to identify recurring expenses and change your spending habits.
- Work on spending less and being more careful with your money.
- Consider paying off or merging your debt, especially those high-interest credit cards.

Financial Imbalance Warning Signs

- Have you stopped paying off your credit card balance each month?
 - Are you making minimum payments each month?
 - Paying your bills "late" each month and incurring late fees?
 - Funding "needs" with credit?
- If you answered "yes" to these questions, your finances are imbalanced.
- Your budget plan is outdated, with many categories understated, leading to an overall cash shortfall.

Shop for Banking Services

- Check out your current statement and see how the fees compare to other banks online or nearby to figure out how much the service costs.
- Make sure the institution provides services in a way that works for you.
- When looking for accounts, prioritize those with the highest Annual Percentage Yield (APY) for savings and the lowest Annual Percentage Rate (APR) for credit products.
- Make sure your institution is federally insured by the FDIC if it's a bank.

Financial Goals

The first step is to set attainable and realistic financial goals.

- Take responsibility for your finances.
- Define specific goals you would like to achieve.
- Write down goals and develop an action plan.
 - No 'right' or 'wrong' answers.
 - Success must be measurable.
 - Expenditures should align with your values, be manageable, and avoid debt.
 - Be ready for conflicts and be prepared for change.
 - Winter vacation cruise vs. saving for a deposit on a house.
 - Groceries versus dining out.
 - Public transportation versus car.
 - It's important to prioritize and be prepared to sacrifice short-term comfort to achieve long-term goals.
- Establishing goals is the critical first step to help you see the "big picture."



Manage Everyday Expenses

Small purchases add up to large expenses over time.

Expenses	Frequency	Daily Cost	Monthly Cost	Annual Cost
Coffee	5X Per Week	\$3.00	\$60.00	\$720.00
Pizza	3X Per Week	\$16.00	\$192.00	\$2,304.00
Movies	1X Per Week	\$20.00	\$80.00	\$960.00
Snacks	3X Per Week	\$3.00	\$36.00	\$432.00
Total		\$42.00	\$184.00	\$2,208.00

Disclaimer: The information contained in this document is not legal, tax or investment advice. It is only a general overview of the subject presented. RISL is a non-profit State agency, does not provide professional advice on financial, tax or legal matters. You are urged to consult your financial, tax, and legal advisors for advice. RISLA does not endorse or promote any commercial supplier, product, or service.

Saving Check List

Keeping your money on track.

- Share living expenses with one or more roommates.
- Home brew coffee (save approximately \$2 - \$5 per day).
- Bring lunch to work (save approximately \$500 per year).
- Eat out fewer times each month (save approximately up to \$500 per year).
- Use a grocery shopping list and stick to it.
- Car pool or use public transportation.
- Enjoy entertainment at home.
- Borrow books rather than purchasing them.
- Look for clothing sales at discount outlets.
- Save on gas! Drive at the speed limit on the highway.
- Plan gift-giving well in advance.
- Keep your car engine tuned and car tires inflated to their proper pressure (you may save up to \$100 a year in gas)
- Shop for the lowest gas prices.
- Eliminate credit card balance.
- Use digital coupons when shopping on line or groceries stores.
- Weekly meal plan and meal prep.
- Turn off lights in rooms your're not in! Save on you electric bill!
- Sign up for gas rewards and save money at the pump!
- When choosing a credit card check for low interest and cash back on purchases.

Contact Information

RISLA

Student Loans & Refinancing



[risla.com](https://www.risla.com)

College Planning Center

Free Resource to prepare, plan, and pay for college



collegeplanningcenter.org

Scholarship Hub

Scholarship opportunities to help parents and students



rislascholarshiphub.org
