



BUILD YOUR BUDGET IN

This workbook can help you figure out where your money goes each month.

To start, gather several months' worth of financial information—pay stubs, credit card bills, bank statements, receipts—anything that will help you get a big picture of your spending habits. Include annual expenses that you know you'll need to pay, such as insurance premiums that aren't taken out of your paycheck or items such as your car registration.

Be honest with yourself as you go through this exercise. Understanding your monthly cash flow will give you the power to make real changes and set yourself up for success.

Use your results to develop a realistic, working budget that can help you reach your goals.

6

EASY STEPS



GRAB YOUR #2 PENCIL AND LET'S GET STARTED!

Step 1. What are your goals?

Do you want to stop living paycheck to paycheck? Your goal could be to determine how to pay all of your monthly bills, plus save some money each month in an emergency fund.

Do you want to save money for an apartment or a house down payment? A big trip? A car? A wedding? Figure out the approximate cost and divide that by the number of months until you'll actually need the money.



EXAMPLE: I want to live on my own next year, but I need a down payment for rent and utilities. Goal: \$1,600. $\$1,600/12$ months = approx. \$133/month.

EXAMPLE: I will need to buy a car in a couple of years. Goal: \$5,000 down payment. $\$5,000/24$ = approx. \$210/month.

Goal 1:

Cost: \$ _____ Notes: _____
Months to goal: _____
Monthly savings needed: \$ _____

Goal 2:

Cost: \$ _____ Notes: _____
Months to goal: _____
Monthly savings needed: \$ _____

Goal 3:

Cost: \$ _____ Notes: _____
Months to goal: _____
Monthly savings needed: \$ _____

Goal 4:

Cost: \$ _____ Notes: _____
Months to goal: _____
Monthly savings needed: \$ _____

Step 2. What's your total income?

This is the monthly dollar amount that actually hits your bank account. Include salaries (the amount you get to keep after taxes and deductions), any part-time work or freelance work.



NOTE: If you are on a 10 month schedule, use your take-home pay for the year and divide that by 12 to figure out your average monthly income.

Paycheck #1 (or take-home pay / 12): \$ _____

Paycheck #2 (or take-home pay / 12): \$ _____

Additional income from: \$ _____

Additional income from: \$ _____

Other: \$ _____

TOTAL MONTHLY INCOME: \$ _____

Step 3. What's your debt load?

What do you HAVE to pay each month? (What higher amount would you like to pay)?

Credit card 1 payment: Minimum: \$ _____ Goal: \$ _____

Credit card 2 payment: Minimum: \$ _____ Goal: \$ _____

Credit card 3 payment: Minimum: \$ _____ Goal: \$ _____

Car loan: Minimum: \$ _____ Goal: \$ _____

Student loan: Minimum: \$ _____ Goal: \$ _____

Other: Minimum: \$ _____ Goal: \$ _____

Other: Minimum: \$ _____ Goal: \$ _____

TOTAL DEBT PAYMENTS: MINIMUM: \$ _____ GOAL: \$ _____

NOW SUBTRACT YOUR "HAVE TO PAY" DEBT TOTAL FROM TOTAL INCOME: \$ _____

▶ *The amount left over is what you have to work with to cover the rest of your expenses.*

Step 4. How much do you spend and save?

Figure out your monthly expenses—fixed, variable and annual—plus your savings.

Monthly Savings:

Treat your savings goals like a monthly expense. Even \$5 per month will add up!

Write what you actually save and what you'd like to be saving. This is a good time to start thinking about your goals from **Step 1!**



NOTE: If you're a 10-month employee, include the savings you'll need to cover summer expenses.

Retirement fund:	Current amount: \$ _____	Goal: \$ _____
Emergency fund:	Current amount: \$ _____	Goal: \$ _____
Summer savings:	Current amount: \$ _____	Goal: \$ _____
Savings goal 1:	Current amount: \$ _____	Goal: \$ _____
Savings goal 2:	Current amount: \$ _____	Goal: \$ _____
Savings goal 3:	Current amount: \$ _____	Goal: \$ _____
Savings goal 4:	Current amount: \$ _____	Goal: \$ _____

TOTAL SAVINGS PER MONTH: **CURRENT AMOUNT:** \$ _____ **GOAL:** \$ _____

Monthly Expenses:

Take all the financial information you've gathered—bank statements, credit card statements, receipts, etc.—and figure out, as best you can, what you spend on average each month.

Fixed expenses are the same each month, such as rent. For variable expenses, such as groceries, add up 3 months' worth of bills and divide by 3 to get the monthly average. For annual expenses, such as car insurance, divide the total bill by 12 to come up with your monthly amount.

Use the following categories as a guide. Not all categories will apply to you, but they may remind you of other expenses you need to track.

Professional Expenses

Classroom supplies: \$ _____

Professional development: \$ _____

Licensing: \$ _____

Other: \$ _____

TOTAL PROFESSIONAL EXPENSES PER MONTH: \$ _____

Home Expenses

Rent or mortgage (including taxes and PMI): \$ _____

Home or renters insurance: \$ _____

HOA or other fees: \$ _____

Home maintenance contracts (example: HVAC services): \$ _____

Home warranty: \$ _____

Home maintenance: \$ _____

Furniture and décor: \$ _____

Other: \$ _____

Other: \$ _____

TOTAL HOME EXPENSES PER MONTH: \$ _____

Utilities

Electric: \$ _____

Gas / oil / propane: \$ _____

Water / sewer: \$ _____

Cable / TV: \$ _____

Internet: \$ _____

Cellphone / data plan: \$ _____

Landline: \$ _____

Other: \$ _____

Other: \$ _____

TOTAL UTILITY EXPENSES PER MONTH: \$ _____

Food

Groceries: \$ _____

Restaurants / fast food: \$ _____

Other: \$ _____

TOTAL FOOD EXPENSES PER MONTH: \$ _____

Family and Personal Care:

Clothes/shoes: \$ _____

Accessories: \$ _____

Haircuts and other personal services: \$ _____

Cosmetics: \$ _____

Gifts (birthdays, holidays, friends' parties): \$ _____

Daycare / babysitting: \$ _____

Child school expenses: \$ _____

Charitable contributions: \$ _____

Alimony / child support: \$ _____

Other: \$ _____

Other: \$ _____

Other: \$ _____

TOTAL FAMILY EXPENSES PER MONTH: \$ _____

Health and Medical

Gym membership: \$ _____

Personal trainer: \$ _____

Unreimbursed medical expenses/copays: \$ _____

Unreimbursed vision expenses/copays: \$ _____

Unreimbursed dental expenses/copays: \$ _____

OTC medication: \$ _____

Vitamins: \$ _____

Prescription copays: \$ _____

Other: \$ _____

Other: \$ _____

TOTAL HEALTH AND MEDICAL EXPENSES PER MONTH: \$ _____

Transportation Expenses

Gas: \$ _____

Public transportation: \$ _____

Car maintenance (oil changes, etc): \$ _____

Other expenses (tolls, parking): \$ _____

Car insurance: \$ _____

Car ownership fees (title/registration, emissions testing, etc): \$ _____

Other: \$ _____

TOTAL TRANSPORTATION EXPENSES PER MONTH: \$ _____

Pets

Pet insurance: \$ _____

Pet food: \$ _____

Toys and other extras: \$ _____

Vet care / boarding / grooming / licensing: \$ _____

Other: \$ _____

TOTAL PET EXPENSES PER MONTH: \$ _____

Entertainment

Subscriptions (Netflix, Hulu, Amazon prime or other monthly charges): \$ _____

Movies, books and other media: \$ _____

Travel / vacation: \$ _____

Hobbies: \$ _____

Other: \$ _____

Other: \$ _____

Other: \$ _____

TOTAL ENTERTAINMENT EXPENSES PER MONTH: \$ _____

Banking/Financial Fees

Monthly account fees: \$ _____

ATM fees: \$ _____

Overdraft fees: \$ _____

Late bill payment fees: \$ _____

TOTAL BANKING/FINANCIAL FEES PER MONTH: \$ _____

Miscellaneous *(Expenses Not Included Above)*

Expense: \$ _____

Expense: \$ _____

Expense: \$ _____

Expense: \$ _____

Expense: \$ _____

TOTAL MISCELLANEOUS EXPENSES PER MONTH: \$ _____

***NOW, ADD UP ALL THE
TOTALS FROM STEP 4:***

\$ _____

Step 5: What's your bottom line?

Add your Step 3 "Have to pay" debt total to your Step 4 monthly expenses total: \$ _____

This is approximately how much you are spending each month.

Next, subtract that number from your Step 2 monthly income to get your Bottom Line: \$ _____

If your bottom line is zero or positive, move on to Step 6.

If your bottom line is negative, meaning you are spending more money than you take in each month, reevaluate your Step 4 expenses to see what you can trim for now; then move on to Step 6.

If you can't trim, then you may need to consider ways to bring in additional income, or change your living arrangements so your expenses are less.

Step 6: Make your budget work better for you!

A budget is always in flux. Keep track of every dollar you spend, either through an online service like Mint.com, or through the other worksheets in this series, such as the Monthly Expense Tracker. Use that information to make your budget more and more accurate every month.

You may find that tweaking some of your expenses—cutting down on ATM fees, streamlining your grocery bill or even increasing your insurance deductibles so your premiums are lower—will give you extra money to work with. Take that money and add it to your Step 4 Savings Goals, or increase the amount you put toward your Step 3 Debt Payments.



REMEMBER: By developing a budget and setting up a way to track it, you're creating a money roadmap to financial freedom. But the key to sticking with your budget is to stay flexible and realistic. These numbers provide guidelines, and you can adjust them as you see fit to make your budget work for you.

The information included in this workbook is for educational purposes only. NEA Member Benefits does not guarantee the results or the applicability to your unique financial situation. You should seek the advice of qualified professionals regarding any financial decisions.

Weekly Expense Tracker

Category:

Budgeted Amount:

DATE	PAYEE	AMOUNT	BALANCE	NOTES

Recurring Expenses

EXPENSES	AMOUNT	DUE DATE	J	F	M	A	M	J	J	A	S	O	N	D
Yearly														
Quarterly														
Monthly														

