

# Create a Monthly Budget

## What are your financial goals? How would creating a monthly budget support you in reaching those goals?

Making a monthly budget can help you get on top of your finances (and stay there). When you become aware of your spending and saving, you can do more than just live within your means — you can manage your money, prioritize your spending, and increase your financial confidence.

## Everyone Benefits from Budgeting

Building a budget is beneficial for everyone, regardless of income.

Planning and monitoring your budget can help you see where you might be spending money unconsciously or wastefully. In visually breaking down your expenses, you may be surprised to find how quickly small or infrequent items can add up.

Having a budget allows you to adapt quickly to any changes in your life because you have a clear picture of what your needs are. This allows you to prioritize, make adjustments, and make sure that everything is taken care of.

Feelings of guilt or shame around spending go away when you have a clear financial picture. You will always know exactly how much cash you have available to spend each month.

It also takes the mystery out of where your money is going. This creates clarity and is likely to decrease money-related stress.

With a budget, you get to tell your money what to do and where to go.

## Managed money tends to go further!

Your situation is unique, and there is no single “right” way to save or spend money.

However, the **50/20/30** approach can be a helpful starting point to create your budget. This means:

**50 percent** of your monthly income going towards *essentials*. This includes transportation, housing, food, and any other expense essential to you and your family’s basic needs.

**20 percent** (or more) of your monthly income going towards savings goals and debt repayment. This includes retirement plans, emergency funds, and any outstanding debts.

**30 percent** (or less) of your monthly income going toward flexible spending. This includes things like entertainment, gym memberships, and any other *extras*. If you need to make cuts, this is where you want to do it. As you pay off debt and perhaps increase your income, you can always add to this category in the future.



## Get Started

### Sources of Income

Work	\$
Other	\$

### Essentials (Approximately 50%)

Fixed Costs	Mortgage / Rent	\$
	Homeowners /Renter's Insurance	\$
	Transportation Costs	\$
	Car Insurance	\$
	Health Insurance	\$
	Electricity	\$
	Heat	\$
	Water/Sewer	\$
	Trash/Recycling/Compost	\$
	Phone/Internet	\$
	Food Groceries	\$
	Other	\$

### Savings and Repayment (20% or More)

Financial Goals	Debt Repayment	\$
	Student Loans	\$
	Credit Card Debt	\$
Savings	Essential	\$
	Emergency	\$
	Retirement	\$
Financial Dreams	Special Savings	\$
	Contribution / Giving	\$
	Other	\$

### Flexible Spending (30% or Less)

Extra	Cable / TV	\$
	Dining Out	\$
	Hobbies	\$
	Entertainment	\$
	Monthly Subscriptions	\$
	Other	\$