



# Budgeting Made **EASY!**



Budgeting prepares you for financial freedom and guides you toward financial success. Congratulations on deciding to chart a positive course of action for your life that will prove beneficial to you and your family! Budgeting is a way for you to turn dreams into reality by setting realistic goals and priorities.

## Step-by-Step Guide to Creating a Spending Plan

Get an in-depth understanding of your current financial situation with CreditGUARD's detailed spending plan.

**Step 1** List all sources of monthly income including gifts, bonuses, tax refunds, cost of living increases, dividends, and interest income, etc.

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**Step 2** Separate expenses into three categories: fixed, flexible, and discretionary.

Fixed expenses remain the same each month. Examples are mortgage/rent, car loans, insurance premiums, etc. Add up all fixed expenses.

Flexible expenses are items for which you control the amount spent. These include household and grocery items, restaurant expenses, utilities, entertainment, out of pocket expenses, etc. Add up all flexible expenses.

Discretionary expenses are items that are not necessary for survival. If you are spending more money than you earn, items from this category should be eliminated or cut back. Add up all discretionary expenses.

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**Step 3** Total all monthly expenses and subtract the total from your total monthly income.

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**Step 4** Divide your total expenses by the frequency of income or the number of paychecks the household receives each month.

*(For example: \$1,500 in expenses divided by 4 paychecks = \$375 needed per paycheck to pay for your expenses.) If the expense total is greater than the income total, you need to decide what steps you can take to reduce your monthly expenses or to earn additional income.*

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**Step 5** Prioritize your expenses. Keep track of when you use credit cards. Then ask yourself if you want to borrow every month for these expenses.

You should set aside enough savings each month to cover fixed and some flexible expenses. By reserving your funds in this way, you can avoid living from paycheck to paycheck. Review your spending plan each month.

At the end of each month, compare actual expenses against what you budgeted. As time passes, you may want to only perform this comparison on a quarterly basis.





## Credit Debt Worksheet

Creditor's Names	Creditor Balance	Monthly Payments
<b>TOTAL</b>		

## Monthly Income Worksheet

List all your sources of income and your monthly income earned for each. If your income is variable as with restaurant or service industry professionals, estimate your weekly income and multiply by 4.

Source	Amount Earned
Your earnings	
Partner/spouse earnings	
Part time/ side work wages	
Child support income	
Alimony	
Social Security benefits	
Veteran's benefits	
Disability benefits	
Other benefits	
Other	
Other	
Other	
<b>TOTAL</b>	



## Expenses Worksheet

List your monthly expense types and the amount incurred each month.

		Amount Budgeted	Current Payment
<b>Fixed</b>	Mortgage/Rent		
	Real Estate Taxes		
	Homeowner Insurance		
	Car Loans/Lease		
	Car Insurance		
	Student Loans		
	Alimony/Child Support		
	Medical Insurance		
	Credit Card Payment <small>(Totaled from the credit card worksheet)</small>		
	Other		
	<b>SUBTOTAL</b>		
<b>Flexible</b>	Phone Bill		
	Electric/Gas/Oil		
	Fuel Bill		
	Groceries		
	Household		
	Supplies		
	School Supplies		
	Clothes		
	Dry Cleaning/Laundry		
	Savings Goal <small>(5% is your starting goal)</small>		
	<b>SUBTOTAL</b>		
<b>Discretionary</b>	Recreation		
	Movies/Plays		
	Dining Out		
	Sporting Events		
	Magazines/Newspapers		
	Barber/Beauty Salon		
	Hobbies		
	Fundraisers/Dues		
	Other		
		<b>SUBTOTAL</b>	
<b>TOTAL</b>			

See our free budget calculator for a quick, easy snapshot. To learn more about our credit counseling programs, call us today at **1-800-500-6489** to learn more and to speak with a certified credit counselor.