

# THE *Working* Budget

## YOUR TICKET TO FINANCIAL FREEDOM

On the road to financial freedom, it's easy to get lost if you don't have a clear idea of where you are or where you want to go. A *working budget* should be your first step. This helps you to chart your actual expenses, enabling you to direct your resources more effectively.

Many people believe that if their expenses are in line with their income, a budget is an unnecessary chore. Yet, as financial experts agree, this very task is necessary to making your financial dreams become reality.

The aim of a *working budget* is to develop a plan for attaining your financial goals. Many American households continue to fall into debt, however. How can you create a surplus if you don't know how much you have or where it is being spent?

To carry out your plan, you will need to compare your income to your expenses. Perhaps you need to make changes in your spending habits. While cutting back is not always the solution, keep in mind you may need to reprioritize. Any adjustments you choose to make will be the result of focusing your attention on achieving your goals.

Don't think of your budget as self-deprivation. Think of it, instead, as a "spending plan". When you focus on your goals and what you really want, a "spending plan" makes a lot of sense!



### Top Tips for Budgeting:

- “**ABC**” your expenses:
  - 1) **A's** are needs you can do nothing about - rent, education, etc.
  - 2) **B's** are needs you can do something about now - groceries, phone, etc.
  - 3) **C's** are wants - vacation, subscriptions, etc.
- Prioritize your ABC's.
- Make budgeting a habit and be consistent.

Remember, your budget is the vehicle that gets you from A to B financially. Money is the gas that fuels the vehicle.

# PERSONAL BUDGET

		Priority	Monthly	Yearly	Actual	Priority	Monthly	Yearly	Actual
<b>Income</b>									
Wages									
Interest/dividends									
Miscellaneous									
<b>TOTAL INCOME</b>									
<b>Expenses</b>									
<b>Home</b>									
Mortgage/rent									
Utilities									
Home telephone									
Cellular telephone									
Home repairs									
Home improvement									
Home security									
Garden supplies									
<b>Home totals</b>									
<b>Daily living</b>									
Groceries									
Child care									
Dry cleaning									
Dining out									
Housecleaning service									
Dog walker									
<b>Daily living totals</b>									
<b>Transportation</b>									
Gas/fuel									
Insurance									
Repairs									
Car wash/detailing svcs									
Parking									
Public transportation									
<b>Transportation totals</b>									
<b>Entertainment</b>									
Cable TV									
Video/DVD rentals									
Movies/plays									
Concerts/clubs									
<b>Entertainment totals</b>									
<b>Health</b>									
Health club dues									
Insurance									
Prescriptions									
Over-the-counter drugs									
Co-pays/out-of-pocket									
Veterinarians/pet meds									
Life insurance									
<b>Health totals</b>									
<b>Dues/subscriptions</b>									
Magazines									
Newspapers									
Internet connection									
Public radio									
Public television									
Religious orgs.									
Charity									
<b>Dues/subscr. totals</b>									
<b>Personal</b>									
Clothing									
Gifts									
Salon/barber									
Books									
Music (CDs, etc.)									
<b>Personal totals</b>									
<b>Financial obligations</b>									
Long term savings									
Retirement (401k, Roth)									
Credit card payments									
Income tax (additional)									
Other obligations									
<b>Personal totals</b>									
<b>Misc. payments</b>									
Other									
Other									
Other									
Other									
Other									
<b>Misc. payments totals</b>									
<b>TOTAL EXPENSES</b>									
<b>Cash short/extra</b>									