

# Create a Budget



Unlimited Learning, Inc.  
Created by Leecy Wise  
640 East Second Street  
PO Box 1273  
Cortez CO 81321  
970-565-1602



[oerinadulted@gmail.com](mailto:oerinadulted@gmail.com)



Slower ->



## Define Budget Categories

A budget is a plan. It is a financial plan. *To budget means to plan your expenses.*



In this unit's budget, we will have two major categories: income and expenses. Then we will create smaller categories under each one.

In another unit, we discussed *fixed, flexible, and discretionary* expenses. In another unit, we discussed *fixed, flexible, and discretionary* expenses. In this budget we will deal with expenses in general.

Examine the budget below. Some of the items will not relate to you. Later, you will create a budget with only your own categories.

In the budget form below, fill in the amounts that fit your life. Leave the others blank. You will not add actual expenses yet. We are just planning right now. Look at your pay check or any record you have of money coming in. Enter an amount under INCOME.

Next, look at your bills for the last few months. Enter amounts for items or categories that fit your expenses. Estimate amounts that you are not sure about.

If you don't understand a word in the budget, look it up. Ask someone to explain it to you.

## BUDGET WORKSHEET

### What do you expect to make or spend?

	CATEGORY	BUDGET AMOUNT
	<b>INCOME:</b>	
1.	Wages and Bonuses	
2.	Other Income	
	<b>TOTAL INCOME (ADD all income.)</b>	
	<b>EXPENSES:</b>	
	<b>INCOME TAXES WITHHELD:</b>	
3.	Federal Income Tax	
4.	State and Local Income Tax	
5.	Social Security/Medicare Tax	
	<b>Income Taxes Subtotal</b>	
	<b>HOME:</b>	
6.	Mortgage or Rent	
7.	Homeowners/Renters Insurance	
8.	Property Taxes	
9.	Home Repairs/Maintenance	
10.	Home Improvements	
	<b>UTILITIES:</b>	
11.	Electricity	
12.	Water and Sewer	
13.	Natural Gas or Oil	

14.	Telephone (Land Line, Cell)	
	<b>FOOD:</b>	
15.	Groceries	
16.	Eating Out, Lunches, Snacks	
	<b>FAMILY OBLIGATIONS:</b>	
17.	Child Support/Alimony	
18.	Day Care, Babysitting	
	<b>HEALTH AND MEDICAL:</b>	
19.	Insurance (medical, dental, vision)	
20.	Out-of-Pocket Medical Expenses	
21.	Fitness (Yoga, Massage, Gym)	
	<b>TRANSPORTATION:</b>	
22.	Car Payments	
23.	Gasoline/Oil	
24.	Auto Repairs/Maintenance/Fees	
25.	Auto Insurance	
26.	Other (parking, bus, taxi)	
	<b>DEBT PAYMENTS:</b>	
27.	Credit Cards	
28.	Student Loans	
29.	Other Loans	
	<b>ENTERTAINMENT/RECREATION:</b>	
30.	Cable TV/Videos/Movies	

31.	Computer Expense	
32.	Hobbies	
33.	Subscriptions and Dues	
34.	Vacations	
<b>35.</b>	<b>PETS:</b>	
36.	Food	
37.	Grooming, Boarding, Vet	
<b>38.</b>	<b>CLOTHING:</b>	
	<b>INVESTMENTS AND SAVINGS:</b>	
39.	Stocks/Bonds/Mutual Funds	
40.	College Fund	
41.	Savings	
42.	Emergency Fund	
	<b>MISCELLANEOUS:</b>	
43.	Toiletries, Household Products	
44.	Gifts/Donations	
45.	Grooming (Hair, Make-up, Other)	
46.	Miscellaneous Expenses	
	<b>TOTAL EXPENSES (ADD all expenses.)</b>	
<b>DIFFERENCE BETWEEN INCOME AND EXPENSES. (Subtract your income from your expenses.)</b>		

Look at the last line on the budget. If you are planning to spend more than you are making, you need to make changes!



## What Can I Change?



First, make a list of discretionary costs. What could you do without? Could you eat out less? Could you spend less on gas by car-pooling or planning your trips better? Could you make fewer home improvements? Could you buy good clothes at a second-hand store instead of buying new clothes? Could you groom your own pets? Could you get a better phone plan, pay less for TV service, lower your heating or electric bill? Those are costs that people can often change.

How can you change? Make a list below of things that you plan to change to be able to live within your budget. What could you do to save more every month? Every dollar counts!

At the end of each week or month, add up your expenses and write them down in your budget. Then, write down the difference in each group. Subtract what you spent from what you planned to spend. Did you spend more or less than you expected? That is how you can start to take control of your money! If you are spending more than you want in certain areas, make changes!

- 1.
- 2.
- 3.
- 4.
- 5.



## Keep a Record of Expenses



Your next step is to keep a record for what you spend.

If you have a checking account, you will keep a record of all of your checks in your ledger. We discussed that in another unit. Your ledger will tell you what you spend on.

Even if you have an account ledger, you will still spend some cash. You might buy a soda from a machine, give a homeless person money, or pay cash for a haircut. Keep track of every penny you spend. Below is a sheet you can print, or you can buy a booklet to jot down your expenses. Some people carry a little calendar for such things.

Next, you will see another budget sheet with a column for Actual Expenses. You will also see another column to write the difference between what you planned and what you actually spent.



## BUDGET WORKSHEET

### What did you actually spend?

	CATEGORY	BUDGET AMOUNT	ACTUAL EXPENSES	DIFFERENCE
	<b>INCOME:</b>			
1.	Wages and Bonuses			
2.	Other Income			
	<b>TOTAL INCOME (ADD all income.)</b>			
	<b>EXPENSES:</b>			
	<b>INCOME TAXES WITHHELD:</b>			
3.	Federal Income Tax			
4.	State and Local Income Tax			
5.	Social Security/Medicare Tax			
	<b>Income Taxes Subtotal</b>			
	<b>HOME:</b>			
6.	Mortgage or Rent			
7.	Homeowners/Renters Insurance			
8.	Property Taxes			
9.	Home Repairs/Maintenance			
10.	Home Improvements			
	<b>UTILITIES:</b>			
11.	Electricity			
12.	Water and Sewer			
13.	Natural Gas or Oil			

14.	Telephone (Land Line, Cell)			
	<b>FOOD:</b>			
15.	Groceries			
16.	Eating Out, Lunches, Snacks			
	<b>FAMILY OBLIGATIONS:</b>			
17.	Child Support/Alimony			
18.	Day Care, Babysitting			
	<b>HEALTH AND MEDICAL:</b>			
19.	Insurance (medical, dental, vision)			
20.	Out-of-Pocket Medical Expenses			
21.	Fitness (Yoga, Massage, Gym)			
	<b>TRANSPORTATION:</b>			
22.	Car Payments			
23.	Gasoline/Oil			
24.	Auto Repairs/Maintenance/Fees			
25.	Auto Insurance			
26.	Other (parking, bus, taxi)			
	<b>DEBT PAYMENTS:</b>			
27.	Credit Cards			
28.	Student Loans			
29.	Other Loans			
	<b>ENTERTAINMENT/RECREATION:</b>			
30.	Cable TV/Videos/Movies			

31.	Computer Expense			
32.	Hobbies			
33.	Subscriptions and Dues			
34.	Vacations			
<b>35.</b>	<b>PETS:</b>			
36.	Food			
37.	Grooming, Boarding, Vet			
<b>38.</b>	<b>CLOTHING:</b>			
	<b>INVESTMENTS AND SAVINGS:</b>			
39.	Stocks/Bonds/Mutual Funds			
40.	College Fund			
41.	Savings			
42.	Emergency Fund			
	<b>MISCELLANEOUS:</b>			
43.	Toiletries, Household Products			
44.	Gifts/Donations			
45.	Grooming (Hair, Make-up, Other)			
46.	Miscellaneous Expenses			
	<b>TOTAL EXPENSES (ADD all expenses.)</b>			
	<b>DIFFERENCE BETWEEN INCOME AND EXPENSES. (Subtract your income from your expenses.)</b>			

PRINT THE BUDGET WORKSHEETS BELOW FOR EXTRA PRACTICE .

## BUDGET WORKSHEET

### What do you expect to make or spend?

	CATEGORY	BUDGET AMOUNT
	<b>INCOME:</b>	
1.	Wages and Bonuses	
2.	Other Income	
	<b>TOTAL INCOME (ADD all income.)</b>	
	<b>EXPENSES:</b>	
	<b>INCOME TAXES WITHHELD:</b>	
3.	Federal Income Tax	
4.	State and Local Income Tax	
5.	Social Security/Medicare Tax	
	<b>Income Taxes Subtotal</b>	
	<b>HOME:</b>	
6.	Mortgage or Rent	
7.	Homeowners/Renters Insurance	
8.	Property Taxes	
9.	Home Repairs/Maintenance	
10.	Home Improvements	
	<b>UTILITIES:</b>	
11.	Electricity	
12.	Water and Sewer	
13.	Natural Gas or Oil	

14.	Telephone (Land Line, Cell)	
	<b>FOOD:</b>	
15.	Groceries	
16.	Eating Out, Lunches, Snacks	
	<b>FAMILY OBLIGATIONS:</b>	
17.	Child Support/Alimony	
18.	Day Care, Babysitting	
	<b>HEALTH AND MEDICAL:</b>	
19.	Insurance (medical, dental, vision)	
20.	Out-of-Pocket Medical Expenses	
21.	Fitness (Yoga, Massage, Gym)	
	<b>TRANSPORTATION:</b>	
22.	Car Payments	
23.	Gasoline/Oil	
24.	Auto Repairs/Maintenance/Fees	
25.	Auto Insurance	
26.	Other (parking, bus, taxi)	
	<b>DEBT PAYMENTS:</b>	
27.	Credit Cards	
28.	Student Loans	
29.	Other Loans	
	<b>ENTERTAINMENT/RECREATION:</b>	
30.	Cable TV/Videos/Movies	

31.	Computer Expense	
32.	Hobbies	
33.	Subscriptions and Dues	
34.	Vacations	
<b>35.</b>	<b>PETS:</b>	
36.	Food	
37.	Grooming, Boarding, Vet	
<b>38.</b>	<b>CLOTHING:</b>	
	<b>INVESTMENTS AND SAVINGS:</b>	
39.	Stocks/Bonds/Mutual Funds	
40.	College Fund	
41.	Savings	
42.	Emergency Fund	
	<b>MISCELLANEOUS:</b>	
43.	Toiletries, Household Products	
44.	Gifts/Donations	
45.	Grooming (Hair, Make-up, Other)	
46.	Miscellaneous Expenses	
	<b>TOTAL EXPENSES (ADD all expenses.)</b>	
<b>DIFFERENCE BETWEEN INCOME AND EXPENSES. (Subtract your income from your expenses.)</b>		



## BUDGET WORKSHEET

### What did you actually spend?

	CATEGORY	BUDGET AMOUNT	ACTUAL EXPENSES	DIFFERENCE
	<b>INCOME:</b>			
1.	Wages and Bonuses			
2.	Other Income			
	<b>TOTAL INCOME (ADD all income.)</b>			
	<b>EXPENSES:</b>			
	<b>INCOME TAXES WITHHELD:</b>			
3.	Federal Income Tax			
4.	State and Local Income Tax			
5.	Social Security/Medicare Tax			
	<b>Income Taxes Subtotal</b>			
	<b>HOME:</b>			
6.	Mortgage or Rent			
7.	Homeowners/Renters Insurance			
8.	Property Taxes			
9.	Home Repairs/Maintenance			
10.	Home Improvements			
	<b>UTILITIES:</b>			
11.	Electricity			
12.	Water and Sewer			
13.	Natural Gas or Oil			

14.	Telephone (Land Line, Cell)			
	<b>FOOD:</b>			
15.	Groceries			
16.	Eating Out, Lunches, Snacks			
	<b>FAMILY OBLIGATIONS:</b>			
17.	Child Support/Alimony			
18.	Day Care, Babysitting			
	<b>HEALTH AND MEDICAL:</b>			
19.	Insurance (medical, dental, vision)			
20.	Out-of-Pocket Medical Expenses			
21.	Fitness (Yoga, Massage, Gym)			
	<b>TRANSPORTATION:</b>			
22.	Car Payments			
23.	Gasoline/Oil			
24.	Auto Repairs/Maintenance/Fees			
25.	Auto Insurance			
26.	Other (parking, bus, taxi)			
	<b>DEBT PAYMENTS:</b>			
27.	Credit Cards			
28.	Student Loans			
29.	Other Loans			
	<b>ENTERTAINMENT/RECREATION:</b>			
30.	Cable TV/Videos/Movies			

31.	Computer Expense			
32.	Hobbies			
33.	Subscriptions and Dues			
34.	Vacations			
<b>35.</b>	<b>PETS:</b>			
36.	Food			
37.	Grooming, Boarding, Vet			
<b>38.</b>	<b>CLOTHING:</b>			
	<b>INVESTMENTS AND SAVINGS:</b>			
39.	Stocks/Bonds/Mutual Funds			
40.	College Fund			
41.	Savings			
42.	Emergency Fund			
	<b>MISCELLANEOUS:</b>			
43.	Toiletries, Household Products			
44.	Gifts/Donations			
45.	Grooming (Hair, Make-up, Other)			
46.	Miscellaneous Expenses			
	<b>TOTAL EXPENSES (ADD all expenses.)</b>			
	<b>DIFFERENCE BETWEEN INCOME AND EXPENSES. (Subtract your income from your expenses.)</b>			