

Developing A Saving - Spending Plan (Budget)

A spending-saving plan will help you to stay in control of your finances. You can use it to make ends meet, save for emergencies and plan ahead for big expenses. With your spending under control, you can

- Pay your bills.
- Have money for things you need.
- Reduce your stress.
- Feel better about yourself and your future.

The following worksheet will help you estimate both your income and expenses. Use a pencil or erasable pen to complete the worksheet so you can make changes in your saving/spending plan as needed.

After you have completed the Savings-Spending Plan Worksheet, you can use the publication, "Track your Spending" to keep track of what you actually save and spend compared to your plan.

Instructions:

1. Calculate monthly net income in box 1.
2. Estimate monthly expenses [sum of fixed (2a), controllable (2b) and monthly portion of period expenses (2c)].
3. Compare income and expenses and make adjustments in box 3.

1. Monthly Net Income	
Net* monthly wages	\$
Net monthly wages of others in home	\$
Public Assistance/food stamps	\$
Unemployment/disability	\$
Child support/alimony	\$
Social Security/retirement	\$
Other	\$
Other	\$
Total net monthly income	\$

*After-tax withholding and other deductions

Saving – Spending (Budget) Worksheet

2a. Fixed Expenses		2b. Controllable Expenses	
Housing		Savings	
Rent or Mortgage	\$	Monthly portion of periodic expenses (from sec. 2c)	\$
Insurance/Taxes	\$	Emergency fund	\$
Utilities		Saving for long-term goals	\$
Telephone	\$	Food	
Natural gas/Heating	\$	Groceries	\$
Electricity	\$	Meals at work	\$
Trash/Garbage	\$	Meals at school	\$
Water	\$	Other food eaten out	\$
Sewer	\$	Household expenses	
Cable	\$	Maintenance & cleaning supplies	\$
Other:	\$	Furnishings & appliances	\$
Credit Card payments		Outside upkeep & lawn	\$
	\$	Transportation	
	\$	Gas	\$
	\$	Auto repair & upkeep	\$
	\$	Other transportation costs (bus, parking, etc.)	\$
	\$	Personal expenses	
Loan(s)		Medical/dental (prescriptions, OTC medications, vitamins, etc.)	\$
	\$	Health club or other fees	\$
	\$	Personal care items	\$
	\$	Clothing	\$
Autos & other vehicles		Laundry/dry cleaning	\$
Loan/lease payment	\$	Diapers	\$
Boat/RV loan payment	\$	Internet service	\$
Insurance	\$	Cell phone	\$
Other:	\$	Charity/gifts	\$
Family care		Entertainment	
Child support/alimony	\$	Travel	\$
Child/elder care	\$	Books & magazines	\$
Personal insurance		CDs & music	\$
Life	\$	Movies, clubs	\$
Health	\$	Other entertainment	\$
Disability	\$	Other monthly controllable expenses	\$
Long-term health	\$		
Other fixed expenses	\$		
Total monthly estimate of fixed spending	\$	Total monthly estimate of controllable expenses	\$

2c. Monthly amount needed for periodic expenses

These are expenses that come up once or twice a year. Fill in the estimated costs under the month they are due. Do not include taxes withheld from your paycheck, but do include estimated tax payments you make to the IRS, add your total yearly periodic expenses and divide by 12 to determine the monthly portion.

	J	F	M	A	M	J	J	A	S	O	N	D	TOTAL (\$)
Taxes (property, income, etc.)													
Insurance (home, auto, life, health, disability, etc.)													
Auto servicing & tires													
Driver's or other licenses													
Auto, boat, RV registration													
Club and organization dues													
Birthday gifts & expenses													
Holiday gifts & expenses													
Tuition & educational expenses													
Vacation or travel													
Home furnishings & appliances													
Home maintenance & repairs													
Other													
Other													
Total (s)													

Monthly amount needed for periodic expenses = \$ _____ /per month
 (Total for year divided by 12)

3. Compare income and expenses	
Net* monthly income	\$
Estimated expenses:	\$
Fixed	\$
Controllable	\$
Periodic (monthly portion)	\$
Total monthly expenses	\$
Estimated Total Monthly Expenses	\$
Balance	\$

*After-tax withholding and other deductions

Definitions

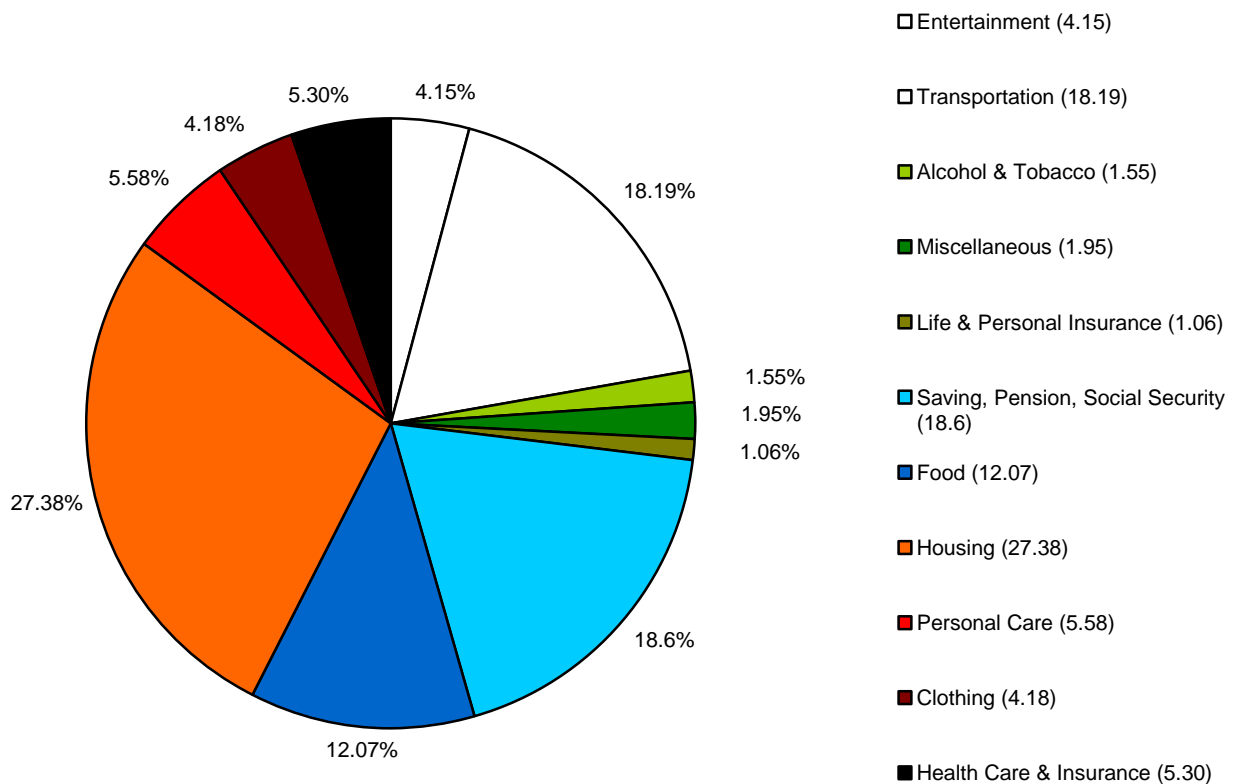
Periodic expenses are those that occur only once or a few times during the year.
Fixed expenses are necessary and normally do not change much from month to month.
Controllable expenses are those that you can change.

Tips to Remember:


- If there are times of the year when you have little or no income, plan to save money for these times. Know which months you expect less income and which you expect more.
- Are you just not sure where your money goes? Actually tracking your spending for a month can provide you with a more realistic picture of your spending habits. Use the publication “Track Your Spending” to help you do this.
- There will be unexpected expenses – auto repairs, dental or medical bills and appliance repairs, for example. Include money in savings to prepare for these expenses. You may want to set up a special account for emergency and periodic expenses.

The chart below illustrates how the average household in the South might spend their money. How does your household compare?

Average Expenditures for Households in the South



Source: Table 8. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 1999-2000. These data are an average of expenditures for the years 1999 and 2000 for Southern households in the survey.

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Reference: Dena Wise, Ph.D., Tools for Money Management: Saving Spending Plan. University of Tennessee Extension	
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