



# Making Budgets Work

---

PARTICIPANT'S GUIDE

## Table of Contents

Setting Your Goals .....	3
Sources of Income .....	3
Expense Tracker .....	4
Debts.....	5
Your Discretionary Income .....	5
The 50/30/20 Budgeting Rule.....	6
Calculating Percentage Spent: Needs and Wants.....	6
Cutting Expenses .....	7

## Setting Your Goals

Goal	Amount	Time
<i>Build emergency savings</i>		

## Sources of Income

List all your sources of income. Enter the net amount for each source (the amount you actually take home after considering taxes and other deductions). If your income changes from month to month, try to find an average.

Income Source	Amount Each Month
<b>TOTAL MONTHLY INCOME</b>	<b>\$</b>



## Debts

Listing your debts will help you create a plan to pay them off. **Do not** include mortgage debt (this should be listed in your monthly expenses under “Home”). **Do** include debts such as:

- Car payment
- Student loans
- Credit cards

List each debt separately. For instance, if you have multiple credit cards, list each on its own line. Add up the total monthly payments and the total balance. Apply the total monthly payment figure to your Expense Tracker under “Debts.”

Debt	APR %	Monthly payment	Balance
<b>TOTALS</b>		<b>\$</b>	<b>\$</b>

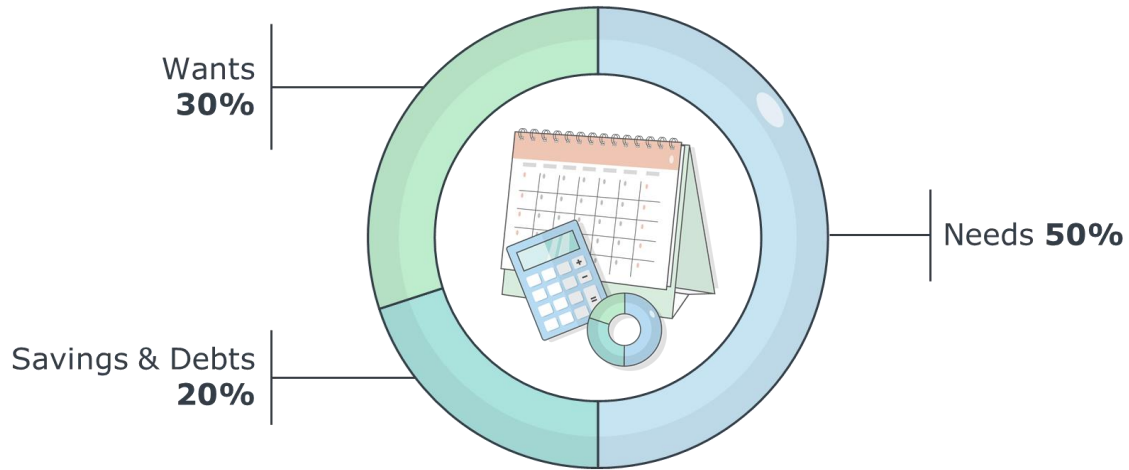
## Your Discretionary Income

To calculate your discretionary income, subtract your average monthly expenses (including Debts) recorded on the Expense Tracker from your total income recorded on the Sources of Income table. This is the amount you are able to apply currently towards savings or paying down your debts.

$$\begin{array}{ccccccc}
 \$ & \underline{\hspace{2cm}} & - & \$ & \underline{\hspace{2cm}} & = & \$ & \underline{\hspace{2cm}} \\
 \text{Total Monthly} & & & & \text{Total} & & & \text{Discretionary} \\
 \text{Net Income} & & & & \text{Monthly Expenses} & & & \text{Income}
 \end{array}$$

## The 50/30/20 Budgeting Rule

Your Monthly Net Income \$ \_\_\_\_\_



### Calculating Percentage Spent: Needs and Wants

What percentage of your income is paying for your NEEDS?

$$\frac{\$ \text{Needs Total}}{\$ \text{Monthly Net Income}} = \text{_____} \times 100 \text{ \_\_\_\_\_\%}$$

What percentage of your income is paying for your WANTS?

$$\frac{\$ \text{Wants Total}}{\$ \text{Monthly Net Income}} = \text{_____} \times 100 \text{ \_\_\_\_\_\%}$$

