



Budgeting

PARTICIPANT'S GUIDE

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Marta's Wants and Needs

The list below is a list of Marta's monthly expenses.

Review each item and place a *W* next to each item that is a want and an *N* next to each item that is a need.

Coffee	
Groceries	
Car insurance	
Internet	
Restaurants	
Entertainment	
Car payment	
Transportation expenses	
Rent	
Health insurance/medical expenses	
Clothing	
Utilities	
Salon	

Marta's Monthly Expenses

Marta earns \$2,000 per month. Which of Marta's expenses can be reduced or cut?

Wants

Coffee	\$40
Restaurants	\$50
Entertainment	\$40
Clothing	\$100
Salon	\$100
Total Wants	\$330

Needs

Rent	\$600
Groceries	\$200
Utilities	\$75
Car payment	\$240
Transportation expenses	\$80
Car insurance	\$120
Health insurance/medical expenses	\$120
Internet	\$50
Total Wants	\$1,485

Marta's Debts

Debt	Balance	Interest Rate
Credit Card A	\$400	23%
Credit Card B	\$300	18%
Student loans	\$7,000	12%

Your Financial Goals

My Goals

Short-term goals can be accomplished in a few months or up to two years.

Goal	Cost

Medium-term goals can be accomplished in two to five years.

Goal	Cost

Long-term goals can be accomplished in more than five years.

Goal	Cost

Marta's Updated Expenses

Marta's Monthly Income: \$2,000

Marta's Needs	Monthly Expenses	Potential Cuts
Rent	\$600	\$500
Groceries	\$200	\$100
Utilities	\$75	\$75
Car payment	\$240	\$200
Car insurance	\$120	\$75
Transportation expenses	\$80	\$40
Health insurance/medical expenses	\$120	\$100
Internet	\$50	\$50
Total	\$1,485	\$1,140

Disposable Income: Income – Needs = _____

Marta's Wants	Monthly Expenses	Potential Cuts
Coffee	\$40	\$20
Restaurants	\$50	\$50
Entertainment	\$40	\$40
Clothing	\$100	\$50
Salon	\$100	\$50
Total	\$330	\$210

Marta's Debts	Monthly Payment
Credit cards	\$200
Student loans	\$100
Total	\$300

Marta's Monthly Savings	\$100
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My Budgeting Worksheet

My Current Financial Snapshot

Building a budget does not have to be complicated. There are five basic steps. Many of you may already be taking some of these actions.

Step 1: Get Organized

Ask yourself the following questions:

- Do you know where your important financial documents are—such as your tax returns, W-2s, bills, and loan documents?

Done

Need to complete

I plan to complete this action by _____.

- Do you have a system to keep these documents organized so that they are easy to find?

Done

Need to complete

I plan to complete this action by _____.

Step 2: List Income

Ask yourself:

- Do you know how much money you make each month? Your income may come from sources such as wages, tips, public assistance, child support, alimony, or Social Security benefits.

Step 3: List Expenses

Ask yourself the following questions:

- Do you know how much money you spend per month?
 Done
 Need to complete
I plan to complete this action by _____.
- Do you spend most of your money on necessities such as rent, insurance, or groceries?
 Done
 Need to complete
I plan to complete this action by _____.
- Or do you spend more than you should on “wants” such as lottery tickets or fast food?
 Done
 Need to complete
I plan to complete this action by _____.

Step 4: List Savings

Ask yourself the following questions:

- Do you have any money left over after your expenses each month?
- Do you know how much you set aside as savings each month?
- Do you have any savings accounts or other methods for saving?

Step 5: List Debt

Ask yourself the following questions:

- Do you have any loans, mortgages, or credit card debts?
- Do you know how much debt you owe?
