

Newsletter Spring 2013

*Family and Consumer Sciences
Prince George's and Charles Counties*



Tips for Creating a Budget

Where does your money go? If you track your money for a few weeks, you will have some answers.

Knowing what you spend is the first step in creating a budget. A budget is a spending plan to help you predict and *CONTROL* your expenses.

So how do you create a budget? You will need to know how much you spend each month (or pay period) and compare that number to your take home pay. This information will help you figure out how wisely (or maybe not so wisely?) you manage your money.

Want some tips on how to track your spending and learn how to budget? Try these:

- Live within your income
- Make a list of all of your sources of income (Social Security, pensions, wages, child support, etc)
- Make a list of all of your essential household expenses: mortgage, utilities, insurance, medications, supplies and taxes
- Food (groceries, restaurants, sandwiches, coffee, sodas and snacks)
- Auto (car payment, gas, repairs, insurance, parking or commuting expenses)
- Entertainment
- What else do you spend money on? Make a list of these items

Track your spending:

- Keep a small notebook handy and write down everything you buy and the bills you pay
- Keep all of your receipts in an envelope or even a shoe box
- Create a file on your computer for entering your income and expenses
- Consider a money management software program

Subtract your total expenses from your total income. This is the dollar amount that you have to work with after your expenses are met. Always pay your essentials first and try to put a little money aside for savings.