

Personal Budget (Exercise 6.3)

Directions: Use this exercise to make plans for your money that fit your needs today and in the future. Think about how much you spend in each of the categories below. Take a good look at your spending habits. Base this budget on your net monthly income, not your gross monthly income.

Occupation _____

Typical Wage \$ _____

Monthly Income	
Gross monthly income is your pay. This is before taxes are taken out: Multiply (x) your hourly wage by the number of hours you work in a month. Or divide (÷) your annual salary by 12.	\$ _____
Payroll deductions are items removed from your take-home pay. They include Federal and State taxes, Social Security plans, and insurance costs. They are usually 30 percent of your gross income.	\$ _____
Other income sources can include family support, disability, or Social Security checks, and other regular payments to you.	\$ _____
Net monthly income is your total take-home pay, minus (-) payroll or other deductions. Use this <i>number for your monthly budget</i> .	\$ _____

Monthly Expenses	
Housing includes rent or mortgage payments. It is best if it is no more than 30 percent of your income.	
Food expenses vary for everyone. Include eating out, coffees, and snacks.	
Utilities are the services to run your home. They include electricity, heating, and telephone. They can also include Internet service and cable TV.	
Transportation costs include public bus or train fares. It can be car payments, gas, and insurance. Also add in car repairs and state fees.	
Savings are money you put in reserve. It can be in a bank account or investments. You need savings for emergencies, big purchases, and retirement.	
Clothing includes work and casual clothes, shoes, and coats. Include accessories. If you don't buy clothes every month, guess what you spend each year. Divide that number by 12.	
Entertainment is the money you spend for fun. It can include movies, DVD rentals, music, books, and video games. Think about what you spend every week on fun things. Multiply this amount by four (4) to get a monthly average.	
School payments include tuition, student loans, books, and supplies.	
Debt is money that you owe. It includes credit card bills and other expenses.	
Miscellaneous expenses are all the other things you might buy. It includes your cell phone, cosmetics, household supplies, pets, and medical costs.	
Total Monthly Expenses =	\$ _____
Net Income minus (-) Monthly Expenses =	\$ _____