



# Spending Plan Instructions



## To Begin:

**First** Make yourself several copies of the five worksheets and action plan (enlarge them, if desired). You can use these copies to plan or to make changes to your budget.


**Second** Fill out a copy of worksheets 1 to 4 (income & expenses) for the next month. To complete as much as you can, gather your paystubs for the last month, your monthly account statements, bills and receipts. If you haven't kept these, begin saving them.

### As you go:


- If an item on the worksheet does not apply to you, leave it blank. The items listed are not all inclusive, however, they should be enough to get started. If you want, you can add items in the blank lines at the bottom of each category.
- For any expense that does not occur monthly, calculate what it works out to on a monthly basis. For example, if you pay \$600 for car insurance every 6 months that works out to \$100 per month (amount / number of months = monthly).
- For now, leave the "Actually Spent" column blank.
- To help you with your planning, below each category title there is a suggested range (%) for how much of your Take Home Pay (THP) you might spend.

**Third** Use your individual results to complete *Your Financial Wealth Action Plan (final worksheet)*.

**Fourth** Read the final section (*Spending Plan Follow Through*) and apply the points to make your plan a success!



If you prefer to use a computer (which can save you time by doing the math for you), these worksheets are online at [www.knowdebt.org](http://www.knowdebt.org). Or if you are reading the PDF version of this publication, you can click on the paperclip in the box below to open the attached spreadsheet file.



Worksheet 1: Monthly Household Income			
Sources of Income		Subtotal	Total Income
<b>Self</b> (before any taxes/deductions)			
Job			
Job 2			
<b>Spouse</b> (before any taxes/deductions)			
Job			
Job 2			
<b>Investment Income</b> (monthly check or deposit; actual income, not deductions)			
Annuities			
401k or 403b			
Savings			
IRA			
<b>Other Income</b>			
Family			
Child Support			
Alimony			
Church, Charity			
Government (SSI, Disability, etc.)			
Rent, Room, Board, etc.			
<b>Total Monthly Income</b> (Enter on worksheet 5)			



**Remember**, your Spending Plan will be successful to the extent you are consistent with it, so do not give up! This is an ongoing learning process, so be patient with yourself. Allow yourself time to make the budgeting activities habit. It will be worth it in the long run.

Worksheet 2: Monthly Fixed Expenses (necessary)				
Category		Subtotals	Totals	Actual
Charitable Gifts				
Payroll Taxes (Federal, State, SSI, med., etc.)				
<b>Savings</b> <5-10% of THP				
	Emergency			
	Education			
	Retirement (401k, etc)			
<b>Housing</b> <25-35% of THP				
	First Mortgage			
	Second Mortgage			
	Rent			
	Taxes			
	Insurance			
	Required Repairs			
	Association Fees			
<b>Transportation</b> <10-15% of THP				
	Car payment 1(required for work/health)			
	Car payment 2(required for work/health)			
	Insurance			
	Gas & Oil			
	License & Tags			
	State Inspections			
	Taxes			
	Maintenance/Repairs (required)			
	Public Transportation			
<b>Utilities</b> <5-10% of THP				
	Electricity			
	Gas or Oil			
	Water/Sewer			
	Trash			
	Phone (primary)			
<b>Obligations</b>				
	Child Support			
	Alimony			
	Medical Insurance			
	Required Medicine			
<b>Monthly Fixed Expenses Total</b> (Enter on worksheet 5)				

Worksheet 4: Monthly Optional Expenses				
Category		Subtotals	Totals	Actual
<b>Personal</b> <5-10% of THP				
	Life Insurance			
	Secondary Phone			
	Smoking/Alcohol			
	Subscriptions			
	"Reward \$"			
	Restaurant/Take Out			
	Dental Insurance			
	Home Security			
<b>Recreation</b> <5-10% of THP				
	Entertainment			
	Cable/Satellite			
	Vacation			
	Babysitter			
	Gifts			
	Pets			
<b>Monthly Optional Expenses Total</b> (Enter on worksheet 5)				

Worksheet 3: Monthly Variable Expenses				
Category		Subtotals	Totals	Actual
<b>Personal</b> <5-10% of THP				
	Child Care			
	Cosmetics/Toiletries			
	Hair Care			
	Nonprescription Drugs			
	Dentist			
<b>Food</b> <5-15% of THP				
	Groceries			
	Household Supplies			
<b>Clothing</b> <5-10% of THP				
	Children			
	Adults			
	Cleaners/Laundry			
<b>Debts (unsecured)</b> <5-10% of THP				
	Credit Card 1:			
	Credit Card 2:			
	Credit Card 3:			
	Dept. Card 1:			
	Dept. Card 2:			
	Loan 1:			
	Loan 2:			
	Student Loan:			
	Medical Bill 1:			
	Medical Bill 2:			
	Other			
<b>Monthly Variable Expenses Total</b> (Enter on worksheet 5)				

Worksheet 5: Monthly Totals	
<b>Total Income</b> (sheet 1)	:
subtract <b>Total Fixed Expenses</b> (sheet 2):	-
Subtotal:	
subtract <b>Total Variable Expenses</b> (sheet 3):	-
Subtotal:	
subtract <b>Total Optional Expenses</b> (sheet 4):	-
<b>Grand Total:</b>	

## Understanding Your Numbers (Where are you?)

**A** ➤ If your **Grand Total** is a positive number: Congratulations, you are building financial wealth! If you have an emergency fund of at least \$1000 and you save at least 10% of your income, please pass on your financial wisdom to others. Please read the last page to look for possible tweaks to your Spending Plan.

**B** ➤ If your **Grand Total** is zero: Congratulations, you have what is known as a balanced budget. If you do not have an emergency fund of at least \$1000 or if you are not saving at least 10% of your income, please complete Your Financial Wealth Action Plan to take your Spending Plan to the next level.

**C** ➤ If your **Grand Total** is a negative number: Take heart, you have done much of the work needed to turn your situation around. Please continue to the next section.