**Budget\* Planning Worksheet
(Thought you might need some paper. Extra scrap paper is available as well)**

When you are 28, how much money will you be spending each month on living expenses? The simple answer is to figure out your **NEEDS** and then see how much you have left for **WANTS.** It’s true you NEED a roof over your head, and food and clothes. The deeper answer (of “what kind”) depends on your level of income, and how you choose to spend it. Before continuing, take some time to think about what is most important to you. Do you want a really nice home? A flashy car? The trendiest clothes or fastest Internet? Do you want a pet? Maybe you would like to travel. Your decisions about what is important will help you choose how to divide your monthly paycheck. For quick reference, please copy your **NET Monthly Pay** here. \_\_\_\_\_\_\_\_\_\_\_\_\_

Now, use your “NET pay” to begin to divide your income between the \***Expense** categories. Use the recommended percentages to help you make decisions on what you can spend monthly for an item, and remember these calculations are a general guide for you when making your budget. You may end up spending a bit more or less on an item, depending on your choices of what YOU think is important to YOU.

|  |  |  |
| --- | --- | --- |
| **Expense Category****(starting with \*Fixed expenses)** | **It is recommended to spend this percent of your monthly income on this expense.** | **How much MONEY is represented for each percent of YOUR monthly income?** |
| Housing | 35% |  |
| Transportation (car) | 10% |  |
| Electric | 5% |  |
| *Gas Heat* | 5% |  |
| Water | 2% |  |
| Insurance | 8% |  |
| Medical and Health | 10% |  |
| TV/Internet/Phone | 2% |  |
| Groceries (Food) | 3% |  |
| Savings (optimum choice) | 10% |  |
| **\*Variable Expenses**: These are items whose price vary, and are not “monthly” like pets, home furnishings, electronics, travel, legal fees, movies, entertainment, etc. | 10% |  |

\*\*The approximate amounts of money should be guidelines when you are finding your house and car. The other expense categories just have to be accounted for. You may ONLY adjust your “savings” amounts to offset a house/car difference.

**Note**: Although not listed as part of your budget here, child care and student loans can be expensive, and of course, would have to fit into your final budget. Each child ups your monthly costs about >$330.00. Whew!...and student loans are low interest, but can amount to another “\*mortgage payment”. Luckily, statistically, higher education pays better.

**Math help:**

To figure the amount you plan to spend per month for your house:

You are figuring what PART of your WHOLE monthly income you want to spend (35%). That’s

X % (35)
\_\_\_\_\_\_\_\_\_\_\_\_\_ = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Monthly income 100

(ex. 1472.00)

100X= 35 times 1472.00

100X= 51,520 (divide 51520 by 100)

X=515.20

Put the dollar amount $515.20 in the blank for housing.

\*You can also use the “butt cheek” method of looking at the the percent first, then moving the decimal two to the left (which makes a butt cheek) 35% would be . 3 5 and then multiply like so….35 X net monthly(1472.00) =