



Tips for Creating Your Budget

- Write in pencil.
- Try and stick to the **70-20-10 budget** – use 70% of your monthly income for household expenses, 20% for savings, and 10% to pay off debt. For example, if your income after taxes is **\$1,200**, you should live on **\$840** (70%), save **\$120** (20%) and use up to **\$120** (10%) to pay off debt.
- You might find it easier to write down all of your expenses, including amounts, before transferring them to the budgeting form. This way you can be sure you won't miss an expense.
- Bundle expenses as appropriate. For example, all of your entertainment expenses can be bundled together. The same could be true for all pet expenses or your utilities. To keep track of what each bundle of expenses includes, you can write a list of expenses for each bundle on the back of your budget sheets.
- To be on the safe side, estimate high for expenses that don't have a set amount and low for income that can change.
 - For example, if you are an hourly worker who can make anywhere from \$300 to \$350 a week, budget as if you'll make \$300 every week.
 - For variable expenses, like utility bills, look back at your last few bills and budget using the most expensive month.
- Make sure you budget something to put into savings, even if it is just a few dollars a month. Pay this money into savings, just like you would another bill.
- Pay yourself first by putting money into savings before you pay your bills. It's easier to save when you have a lot of money available (and you know how much you can afford to save because you plan it out in your budget).
- Don't forget to include entertainment and treats! A budget that has no room for fun is a budget that is going to fail.
- If you finish your budget and find out you are spending more than you are making, go through your expenses again to find out which items you can eliminate from your spending. Do your best not to reduce the amount of money put aside for savings or retirement.
- Over time, adjust your budget based on how much things cost, versus what you estimated. Feel free to add new expenses, but be sure that you recalculate your numbers to ensure that you still aren't spending more than you are making.
- At every step of the process, be honest and realistic. This budget is for your use and should be based on your lifestyle and needs.