

Budgeting 101 Outline

Developing a budget

Debt repayment

Saving



What is a Budget?

A money management tool

Allocates spending for different expenses

Provides control over where your money is going

Allows spending to be tracked easily

Summarizes income and expenses for a set period of time, generally one month

What is in a Budget?

Income from all recurring sources; paychecks, bonuses, etc.

A dedicated line for each type of expense; rent, groceries, utilities, etc.

Planned savings (short-term/long-term)

Strategic debt repayment

Budget

INCOME for January

\$5,000

\$5,000.00 **\$0.00**

+ Add Income

PLANNED SPENT REMAINING

Giving \$500.00 10%

Charity

9:41 January

\$500.00 **\$500.00**

Savings \$500.00 10%

Transportation \$500.00 10%

Food \$520.00 10%

Personal \$480.00 30%

Lifestyle \$520.00 10%

Planned Spent Remaining

\$5,000

+ Add Item

SAVINGS

INCOME

Income

Paycheck 1 \$2,500.00

Paycheck 2 \$2,500.00

Gifts

GIVING

Charity \$500.00

Charity

Charity

+ Add Item

Migration Demo 1

JAN 2014

To be Budgeted

+ \$1,000.00 Budgeted for Jan
- \$1,000.00 Budgeted in Jan
- \$0.00 Budgeted in Future

Age of Money

Budget

All Accounts

Category Group

\$1,000.00

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Average Budgeted: \$0.00

Average Spent: \$0.00

Fuel

Gasoline



PERSONAL MONTHLY BUDGET

SUMMARY

Income	\$	7,257.00	\$8,000.00
Savings Goal	\$	1,655.00	\$7,000.00
Expenses	\$	5,359.00	\$6,000.00

\$7,257.00



Considerations for Creating Your Budget

Account for fluctuations in bills, e.g. electric and/or gas by season

Are certain expense due quarterly?

property taxes, water/sewer, for example

Have I included planned savings

Do you have a strategy for paying off debt?

Savings

Should be made on a schedule

Budget a set monthly amount as if it were an expense

Short-term: For large purchases

Vacations, down payment on a car, new television, etc.

Medium-term: Emergency fund equal to 3-6 months of expenses

Funds to be used during job loss, major medical expense, etc.

Long-term: retirement

Contributions to Charity

Giving is a good thing, but needs to be accounted for
Build monthly for contributions made annually; set aside
 $1/12^{\text{th}}$ of the annual amount each month

Consider automatic deductions

Many charitable contributions are tax deductible (if
itemizing)

Monthly payments included in budget

Monthly payments should always be made on time, or your credit/score could be negatively affected

Budget for paying additional principal

etc.

If possible, allocate an additional monthly amount beyond the required payment

Periodic changes are necessary

Make changes for increase/decrease in income

Starting a new job, reduction in hours at work, etc.

Make adjustments for changes in spending patterns

Cook more instead of eating out, change in mode of transportation, etc.

Make modifications for major life experiences

Marriage, children, move to a different city, buy a house, etc.

- ~~EveryDollar~~ - Free, with Plus version for an annual fee
<https://www.everydollar.com/>
- ~~Mint~~ - brings all your financial accounts to the same place.
<https://www.mint.com/>
- ~~YNAB~~ - Free first year for students. Mobile access to your budget
<https://www.youneedabudget.com/>
- ~~Free annual credit report~~

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