



## Basics

# Budgeting your paycheck

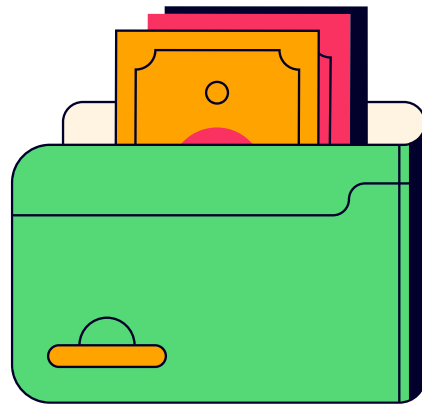
Why? What is budgeting?

# Intro

- A budget is simply a spending plan that takes into account estimated current and future income and expenses for a specified future time period, usually a year. Having a budget keeps your spending in check and makes sure that your savings are on track for the future. Budgeting helps set financial and personal goals, monitor spending and saving guide spending.



## Step 1



### Determine Net Income

What do you actually make after taxes in your paycheck?

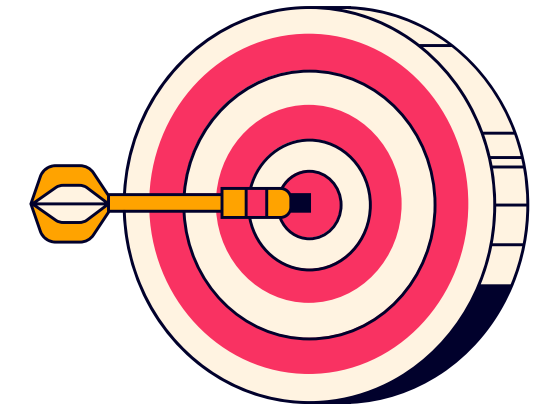
## Step 2



What are your needs/expenses and how much do they cost

Do you have bills? Do you have a car? A pet? Food?

## Step 3



### Track your spending

Don't change your spending, track it for a month and see your patterns, and see if theres thinga you might want to change! Your spending will help you identify your needs and wants.

## Step 4



### Use a spreadsheet and do some math

Use a budgeting worksheet and calculate 50% of your income, 30%, and 20%.

## Step 5



### Create savings goals

What is important for you to save for? A new car? Retirement? New shoes? Emergency fund? Having a goal encourages you to save!

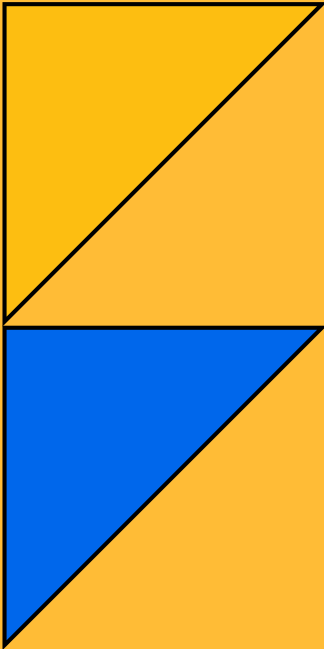
## Step 6



### Stick to the budget

Try to stick to spending what you allocate for your needs, wants, and savings, and try not to go over. If you go under that's great and you can always save that extra money! It's important not to spend more than you make if you can.

**SAVE FIRST\*\*\*** If you start spending before you save, there's a chance that you might blow your budget one month and not have anything left over to save.



## The 50/30/20 Rule

50%

NEEDS

30%

WANTS

20%

SAVINGS

## NEEDS

- Food
- phone bill
- gas
- insurance
- rent
- transportation
- utilities
- minimum loan payments

## WANTS

- monthly subscriptions
- dates
- entertainment: movies, out to eat, social activities
- shopping
- hobby

## SAVING/DEBT

- purposeful saving
- future goals
- emergencies
- Paying off debt, beginning with high-interest accounts like credit cards.

## The 50/30/20 Budget Rule

### SAVINGS 20%

Emergency fund  
Debt payments  
Retirement  
Investing

### WANTS 30%

Travel  
Entertainment  
Restaurants  
Shopping  
Hobbies

### NEEDS 50%

Housing  
Groceries  
Transportation  
Bills & utilities  
Health insurance  
Car payments

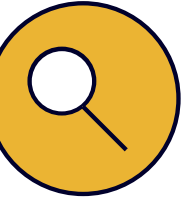
Limit 50% of your income on needs, 30% on wants, and save at least 20%.

| Budget by Category (Needs/Wants/Savings) |            |          |          |                                                                        |                      |        |          |         |       |                 |     |          |     |
|------------------------------------------|------------|----------|----------|------------------------------------------------------------------------|----------------------|--------|----------|---------|-------|-----------------|-----|----------|-----|
| Income (total):                          |            | \$       | 5,260.00 | per month (after taxes but before any insurance and 401k withholdings) |                      |        |          |         |       |                 |     |          |     |
|                                          |            |          |          |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Needs                                    |            |          |          | Wants                                                                  |                      |        |          | Savings |       |                 |     |          |     |
| Mortgage/rent                            | \$         | 1,200.00 | 23%      |                                                                        | Subscriptions        | \$     | 50.00    | 1%      |       | Savings         | \$  | 100.00   | 2%  |
| Gas bill                                 | \$         | 120.00   | 2%       |                                                                        | Entertainment        | \$     | 100.00   | 2%      |       | Debt repayment  | \$  | 250.00   | 5%  |
| Electric bill                            | \$         | 100.00   | 2%       |                                                                        | Restaurants/take-out | \$     | 100.00   | 2%      |       | Investments     | \$  | 100.00   | 2%  |
| Water bill                               | \$         | 50.00    | 1%       |                                                                        | Goal:_____           |        |          | 0%      |       | Retirement fund | \$  | 400.00   | 8%  |
| Phone/internet                           | \$         | 166.00   | 3%       |                                                                        | Goal:_____           |        |          | 0%      |       |                 |     |          |     |
| Food                                     | \$         | 500.00   | 10%      |                                                                        | Other                |        |          | 0%      |       |                 |     |          |     |
| Other household                          | \$         | 50.00    | 1%       |                                                                        | Other                |        |          | 0%      |       |                 |     |          |     |
| Car payment                              | \$         | 300.00   | 6%       |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Car insurance                            | \$         | 150.00   | 3%       |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Gasoline/tolls/parking                   | \$         | 50.00    | 1%       |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Child care                               | \$         | 189.00   | 4%       |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Health insurance                         | \$         | 500.00   | 10%      |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Minimum payments                         | \$         | 30.00    | 1%       |                                                                        |                      |        |          |         |       |                 |     |          |     |
| Miscellaneous needs                      | \$         | 100.00   | 2%       |                                                                        | Extra money          | \$     | 655.00   |         |       |                 |     |          |     |
| Total                                    | \$3,505.00 | 67%      |          | Total                                                                  | \$                   | 855.00 | 16%      |         | Total | \$850.00        | 16% |          |     |
| Target                                   | \$         | 2,630.00 | 50%      |                                                                        | Target               | \$     | 1,578.00 | 30%     |       | Target          | \$  | 1,052.00 | 20% |

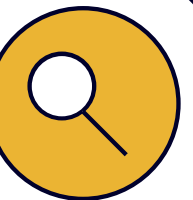
# Bank account: What to look for



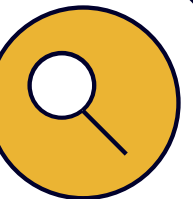
Location (branch office, hours of operations, ATM availability)



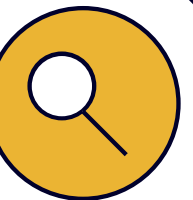
Fees (monthly fees, per check fee, balance inquiry fee, ATM fees, overdraft fees, certified check fees, money orders)



Interest (fee charged for not keeping minimum balance, holding for deposited checks)



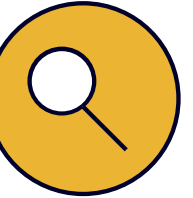
Special features (direct deposit, automatic payments, overdraft protection, online banking, discounts or free checking for students)



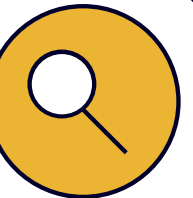
# Bank account: What do you need?



A deposit (small fee \$5-\$25)



A valid government ID (passport, state id,  
license,



Birthday, social security number, phone  
number

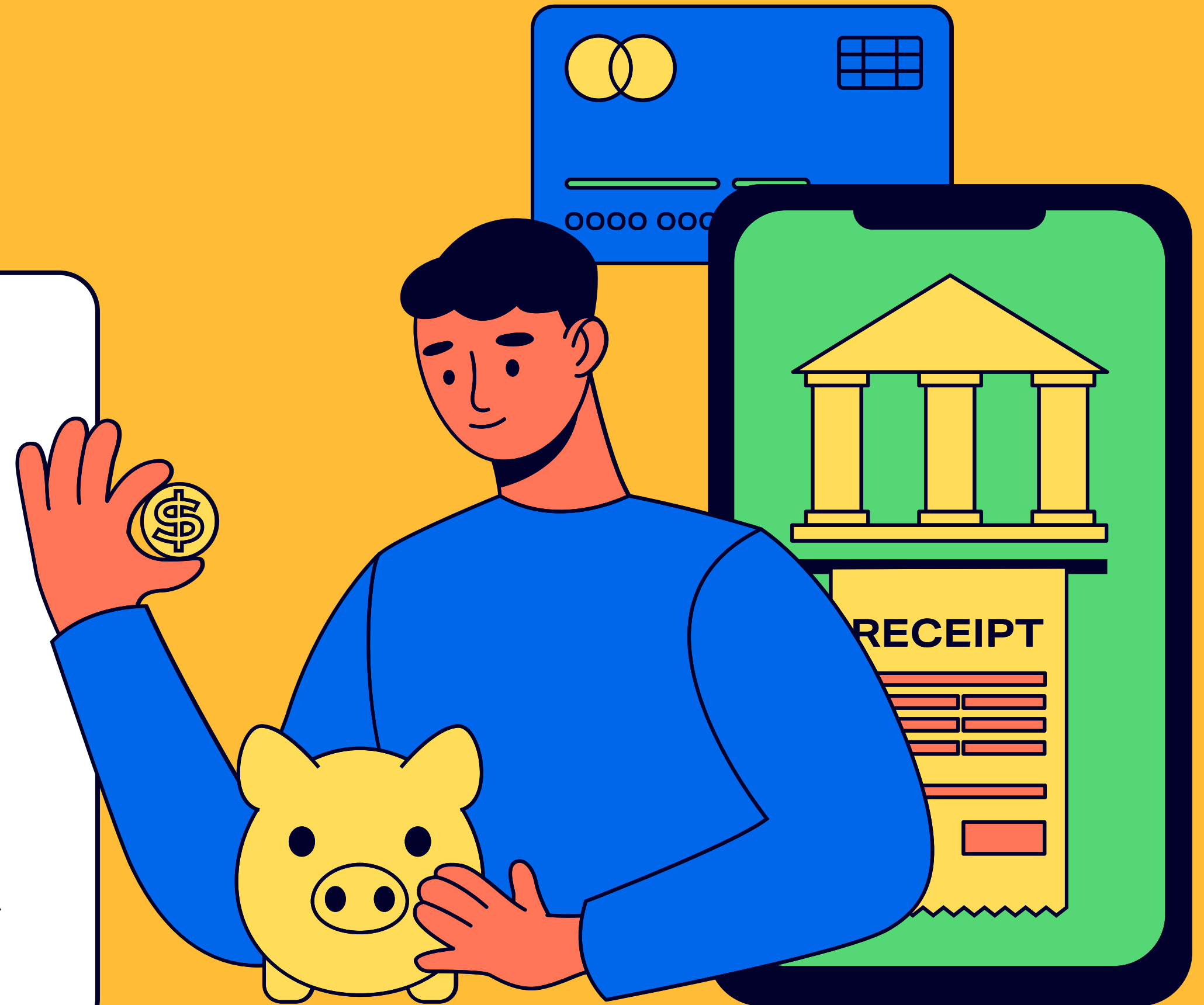


Co-owner if you're not 18 (parent or  
Guardian)



## Account Types

- Checking account – used for everyday purchases when money is withdrawn from account usually taken from this account
- Savings account – used to save money, money can be withdrawn from account but not recommended



## TAKE-AWAYS

- Save first, then spend
- its okay to say no
- take on extra jobs
- check in with your written budget often
- set goals and see your progress!
  - reward yourself
- ask for help when needed
- Follow money-minded influencers- make it fun!
- open a savings account

