Four-Step Spending Plan Worksheet

***Step 1: Identify Income Sources***

|  |  |  |
| --- | --- | --- |
| **Source** | **Expected Per Month** | **Actual Per Month** |
| Base pay (after taxes) |  |  |
| After-tax wages from part-time job |  |  |
| After-tax wages from spouse’s income |  |  |
| Interest, dividends |  |  |
| Child support |  |  |
| Social Security/Supplemental Security |  |  |
| Tips, bonuses, gifts |  |  |
| Tax refund |  |  |
| Earned Income Credit |  |  |
| Public assistance |  |  |
| Other (for example, investment income) |  |  |
| **Total Monthly Income** |  |  |

Four-Step Spending Plan Worksheet (continued)

***Step 2: List Expenses***

|  |  |  |
| --- | --- | --- |
| **Source** | **Expected Per Month** | **Actual Per Month** |
| Mortgage payment or rent |  |  |
| Property tax |  |  |
| Utilities (heat, electric, water) |  |  |
| Cellphone (all features) and/or telephone (local, long distance, landline) |  |  |
| Cable, satellite, Internet |  |  |
| Transportation (bus fare, gas for car, tolls, car repair) |  |  |
| Groceries |  |  |
| Snacks/meals eaten out |  |  |
| Insurance (car, homeowner’s, renter’s, life) |  |  |
| Education, training, tuition, or school fees |  |  |
| Child care |  |  |
| Elder care (nursing home, assisted living) |  |  |
| Doctor/dentist bills |  |  |
| Alimony or child support payments |  |  |
| Pet expenses |  |  |
| Loan payments |  |  |
| Credit card payments |  |  |
| Clothes, dry cleaning, laundry |  |  |
| Personal (children’s allowances, toiletries, etc.) |  |  |
| Home improvement and repairs |  |  |
| Gifts |  |  |
| Holiday spending |  |  |
| Entertainment |  |  |
| Charitable donations |  |  |
| Savings for emergencies or reserve fund |  |  |
| Savings for long-term goals |  |  |
| Other |  |  |
| **Total Monthly Expenses** |  |  |

***Step 3: Compare Income and Expenses***

Actual monthly income $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(minus) actual monthly expenses – $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

= $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Do you have money left over? If so, go back and increase your monthly saving expenses to build financial security.

Are your expenses greater than your income? Continue to *Step 4: Change Habits.*

***Step 4: Change Habits***

* Review your expenses. Are there any that you can cut out completely?
* Which expenses can you possibly decrease?
* What will you actually do to cut expenses?
* Review your income. Is there any opportunity to increase your income?

Now, if you decided on ways to decrease your expenses, go back and make the necessary corrections to your spending plan (Step 2). Recalculate your income minus expenses (Step 3). Are you satisfied with the results?

Use your spending plan for the next month. Write down how much you actually earned and how much you actually spent. If there is a difference between what you expected to earn and/or spend and what you actually earned and/or spent, carefully examine the differences. Make whatever adjustments are necessary on next month’s spending plan. You will soon become skilled at developing a sound spending plan and it will help you reach your long-term financial goals.