

1. FOR THE MONTH OF:

September

2. MONTHLY NET INCOME
=

\$ 2,500 .00

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 |
|---|----------|-------------------------------------|---------------------------------------|
| EXPENSES | | FIRST: ROUGH NUMBERS | SECOND: ACTUAL NUMBERS |
| DUE DATE | | | |
| 3.SAVINGS—SELF-FINANCING FUNDS | | 0 | |
| 4.FOOD / GROCERIES | | 400 | |
| 5.HOUSING PAYMENT | | 1,500 | |
| 6.HOME/RENTERS INSURANCE | | 0 | |
| 7.PROPERTY TAXES (owners only) | | 0 | |
| 8.UTILITIES: electricity/gas | | 30 | |
| 9.UTILITIES: Water//Sewer/ garbage | | 50 | |
| 10.CABLE/SATELLITE TV | | 150 | |
| 11.CELL PHONE | | 150 | |
| 12.TELEPHONE | | 50 | |
| 13.INTERNET | | 100 | |
| 14.SUBSCRIPTIONS/ MEMBERSHIPS | | 200 | |
| 15.AUTO PAYMENTS | | 450 | |
| 16.AUTO INSURANCE | | 75 | |
| 17.Auto maintenance/tabs/ parking/GAS | | 150 | |
| 18.Other transportation: bus/ lightrail/? | | 0 | |
| 19.STUDENT LOANS | | 0 | |

| | | | |
|---|--|-----------------------|-----------|
| 20.OTHER DEBT PAYMENTS | | 100 | |
| 21.HEALTH INSURANCE | | 0 | |
| 22.Medical: copays/ coinsurance/Rx/etc. | | 50 | |
| 23.DINING OUT | | 300 | |
| 24.HOBBIES | | 250 | |
| 25.SHOPPING/PERSONAL CARE | | 250 | |
| 26.CHILD CARE | | 0 | |
| 27.ENTERTAINMENT | | 400 | |
| 28.GIFTS: holidays, special event, etc. | | 200 | |
| 29.Vacation: all related costs | | 500 | |
| 30.CHARITY | | 0 | |
| 31.UNEXPECTED EXPENSES | | 0 | |
| 32. | | | |
| 33. | | | |
| 34. | | | |
| 35. | | | |
| 36. TOTAL OF EXPENSES | | <u>\$5,355</u> | |
| 37. INCOME MINUS EXPENSES MARGIN OF: | | \$-2,855 | \$ |

DEDUCTIONS* TO KEEP TRACK OF

1. Retirement account:
2. Flexible spending account:
3. Health insurance (medical, dental, vision):

*These are taken out of your paycheck. It's still a good idea to know how much you are paying for these things. Let's say I have \$100 deducted from my salary every month to go into my retirement plan. It's good for me to know I am contributing that every month. I wouldn't include it in the SAVINGS category in the above budget because that budget is for planning my net income the money I have to spend after I'm paid. The retirement deduction is taken out before then so if I listed it

EXAMPLE: I have a monthly net income of \$1,000 a month after taxes and deductions are taken out. One of the deductions that is taken out is my \$100 a month contribution to my retirement account. I would list that in the above "DEDUCTIONS TO KEEP TRACK OF" section and not the budget. If I listed it in the budget, I'd be counting that expense twice so it would total \$200. In other words, the \$100 a month is taken out of my gross payment. If I include it in the budget as well, I would be taking out the same \$100 from my monthly net income. The solution: list that amount in the deductions to keep track of section. You can certainly choose to save money from your monthly net income. The idea is just not to list the same amount twice. It's called double dipping and it's not accurate.

Deductions in the way that I'm talking about them now are payments for items that you have your employer automatically take out of your paycheck. Common deductions are medical, dental, vision insurance payments and contributions to a 401(k) or other retirement account. So if your medical insurance costs you \$150 a month, your employer will often have you set that up so it's deducted from your paycheck automatically. So the paycheck you're given or that's automatically deposited into your bank account will be \$150 less because that medical insurance cost will be taken out of your payment, just like taxes and other deductions are.

1. So how can someone count a deduction twice?

Here's an example. Let's say my monthly net income is \$1,200 a month. Again, that's after taxes and after I have \$150 deducted or taken out of my paycheck to pay for my medical insurance. If I include the \$150 medical insurance in the expenses portion of my budget, that would be the second time I'd be counting that expense. The \$1,200 payment already had the \$150 taken out of it. If I then put the \$150 expense in my budget, I'm double billing myself and it looks like I'm paying \$300 for medical insurance. I only need to count it once and I did that when I started with the net. That net figure (\$1,200 in the example) already had the \$150 medical insurance payment taken out of it. So counting something twice, either on the income or expense side will mess up your budget.

You may want to note elsewhere that you are making those payments, but don't put them on your budget form. You'll notice we put a **little DEDUCTIONS BOX** on your budget form for you to list any deductions you are making. You don't want to include that in your budget numbers, but those are good things to be aware of.