



Creating a Simple Budget Using Numbers

Presented by Marilyn Kennedy, OMUG

My First Budget

- It wasn't until I got married that I really needed to learn how to budget my money. Of course, this was before the days of direct deposit and online banking.
- I remember using a booklet filled with separate envelopes denoting my spending categories. When my weekly check was cashed, I would divide up the money that was designated for each expense.
- Believe it or not, there are software programs based on envelope budgeting. I guess the system wasn't so bad after all.



Steps to Creating a Simple Budget

- Since we don't have to worry about college funds or savings plans in our stage of life, budgeting is much easier. Spending less than we make should be our main objective.
- The first thing you need to do is make a list of your monthly earnings after taxes. This is the amount you actually take home. (salary, interest, Social Security, investment income, pensions)
- Record all your fixed expenses for the month. For semi-annual or quarterly bills, take the total amount for the year and divide by 12. That would be the monthly fixed expense.
- Make a list of variable expenses. These have different amounts each month or occur on an irregular basis. (dining out, gas, utilities, credit card payments)
- You should have an emergency fund to provide for future purchases, or to use as a slush fund to make up for a monthly shortfall.

Creating My Monthly Budget Template

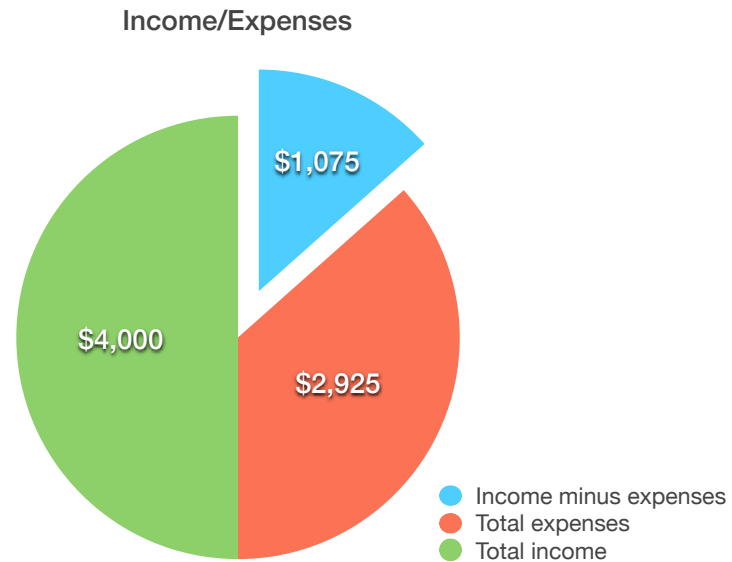
- After spending many hours with paper, pencil, and calculator, I decided to divide my expenses into 4 main categories: household, insurances & taxes, personal, and extras.
- I opted to have a column for the budgeted amount and the actual amount spent for each item in my list. Some months were way under budget because of the payment schedule, so I made a table to keep track of the surplus each month. If a month went over the budget, the excess would be deducted from the surplus amount. As long as the surplus table stays in the black, the budget is still okay.
- I used the Numbers templates on pages 5 and 6 as guides to make my own template. I've been using my spreadsheet for 6 months to prepare for this presentation.
- My template is very detailed, but yours may be more generalized. There is no right or wrong. As long as you keep track of your expenses and adjust amounts occasionally, your budget should work well for you.

Budget

MONEY IN	
Paycheck	\$4,000
Additional income	\$0
TOTAL INCOME	\$4,000

MONEY OUT	
Housing (Rent, mortgage, taxes, insurance)	\$1,500
Transportation	\$300
Utilities	\$200
Groceries	\$500
Medical	\$30
Dining, travel, entertainment	\$120
Debt payments	\$50
Savings	\$0
Education	\$100
Miscellaneous	\$125
TOTAL EXPENSES	\$2,925

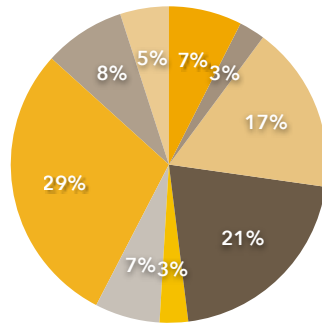
MONEY LEFT OVER	
Income minus expenses	\$1,075



MONTHLY BUDGET

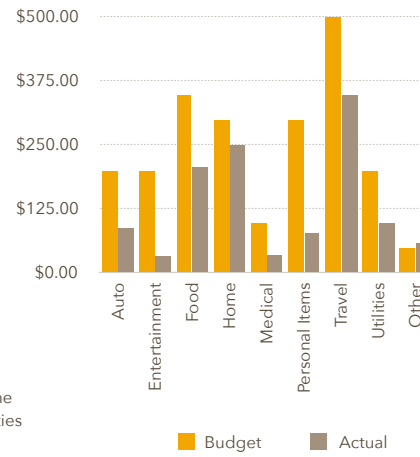
HOW TO USE: Enter your budget for each category in the **Summary By Category** table below.
Enter transactions on the **Transactions** sheet to see how your actual spending compares to your budget.

ACTUAL SUMMARY



- Auto
- Entertainment
- Food
- Home
- Medical
- Personal Items
- Travel
- Utilities
- Other

BUDGET VS. ACTUAL



SUMMARY BY CATEGORY

Category	Budget	Actual	Difference
Auto	\$200.00	\$90.00	\$110.00
Entertainment	\$200.00	\$32.00	\$168.00
Food	\$350.00	\$205.75	\$144.25
Home	\$300.00	\$250.00	\$50.00
Medical	\$100.00	\$35.00	\$65.00
Personal Items	\$300.00	\$80.00	\$220.00
Travel	\$500.00	\$350.00	\$150.00
Utilities	\$200.00	\$100.00	\$100.00
Other	\$50.00	\$60.00	(\$10.00)
Total	\$2,200.00	\$1,202.75	\$997.25

Demo Budget Template

- The following page shows a template that I created after following all the suggestions I read about. You can adjust it to your own liking. I will email it to the forum and you can save it to your computer.
- I don't always spend all the allotted money each month. The money left over is used for months that I go beyond my budget because of the payment schedule of certain items.
- If you decide to use the template, just remember to do a "Save As" for each month before beginning to put in the dollar amounts.
- At the end of the month, take the Money Left Over and enter it in the yearly chart. If there is a deficit, put a minus sign in front of the amount in the table. If you didn't go over budget for the year, you're doing a great job of budgeting your money.

Demo BudgetTemplate

Part 1: Monthly Income	
Pension 1	\$3,000
Pension 2	\$1,500
Social Security 1	\$1,400
Social Security 2	\$1,200
Other	\$500
Total	\$7,600

Part 3: Money Left Over	
Income - Actual Amount Total	\$7600

Month	Money Left Over
January 2017	
February 2017	
March 2017	
April 2017	
May 2017	
June 2017	
July 2017	
August 2017	
September 2017	
October 2017	
November 2017	
December 2017	
	0

	Part 2: Monthly Expenses	Budgeted Amount	Actual Amount
Household	Auto Maintenance	\$70	
	Cable TV	\$150	
	Cell Phones	\$140	
	Computer (Evernote, Backblaze, Ink, etc)	\$40	
	Gas (Vehicles, Mower)	\$200	
	Groceries	\$600	
	Home Equity Line of Credit	\$140	
	Home Maintenance	\$150	
	Home Phone + Internet	\$110	
	Horses (Hay, Grain, Vet Bills)	\$350	
	Mortgage (Taxes, Homeowner Insurance)	\$1700	
	SECO Electric	\$170	
	Star Banner	\$40	
	Insurances, Taxes	Ameriprise	\$860
	Estimated Income Tax Payments	\$110	
	State Farm (Car, Truck, Umbrella)	\$180	
Personal	Bowling, Golf	\$300	
	Charitable Donations	\$50	
	Clothing	\$50	
	Entertainment (Ocala Civic Theatre, CSCC)	\$80	
	Gifts for Grandchildren	\$70	
	Hair Salon	\$200	
	Medical, Dental, Prescriptions, Glasses	\$300	
	Pocket Money	\$100	
	Restaurants	\$400	
	Vacations (Timeshares, Flights, Car Rentals)	\$340	
Extras	Emergency Fund (Miscellaneous)	\$500	
	Savings	\$200	
Total		\$7600	\$0

Resources

- “How to Create Home Budget Breakdown” from budgeting.thenest.com
- “Easy Guidelines to Creating an Easy Budget” from budgeting.thenest.com
- “Seven Steps to Starting Your Own Budget” from budgeting.thenest.com
- “12 Steps for How to Make a Budget - Personal Budgeting Tips for First Timers” from www.moneycrashers.com
- “8 Steps to Creating a Personal Budget” by Sienna Kossman, Contributor, October 18, 2013. From money.usnews.com



The best budget is one that will be easy for you to follow.
Make it work for you!