



CONSOLIDATED
CREDIT COUNSELING SERVICES, INC.

Consolidated Credit Counseling Services, Inc.
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www.ConsolidatedCredit.org



CONSOLIDATED
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Budgeting Made EASY!

A free publication provided by
Consolidated Credit Counseling Services, Inc.™,
a nonprofit educational credit counseling and
debt management organization.

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Consolidated Credit Counseling Services, Inc.™ is a consumer oriented, nonprofit, tax exempt, public education organization. We are an industry leader in providing credit counseling and debt management services throughout the United States.

Our mission is to assist individuals and families end financial crises and help them solve money management problems through education, motivation, and professional counseling.

We are dedicated to empowering consumers through educational programs that will influence them to refrain from overspending and abusing credit cards, as well as to encourage them to save and invest. We sponsor local free seminars that are also available to any group or organization that requests our educational services.

Our professionally trained counselors have assisted thousands of families across the United States. Regardless of whether your financial problems are due to the purchase of a new home, birth of a child, major illness, or any other circumstance, we can help.

Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate.

Consolidated Credit Counseling Services, Inc.™ is a member of the Better Business Bureau, the United States Chamber of Commerce, the Greater Fort Lauderdale Chamber of Commerce, the Association of Independent Consumer Credit Counseling Agencies, and the International Credit Association.

Can you plan for the future if you're living paycheck to paycheck, with no spending plan, no savings plan, no end-of-the-month summary report, and no idea of when you'll be out of debt? No way.



Having a budget doesn't make you a slave. Properly done, it will reflect your lifestyle and include allowances for fun and recreation. What a budget will do is allow you to stop overspending and start saving. It will bring order and new priorities into your life.

You don't need an extensive filing system to keeping track of expenses; all you need are envelopes for receipts and account sheets. Start by separating your expenses into fixed, flexible, and discretionary categories, and list them on account sheets as you pay them.

Use business-sized envelopes for each month as you go along. Then get one big file or envelope, indicate the year or period covered, and keep your monthly envelopes in it. Records from checking accounts, tax-related transactions, etc., should be saved for at least seven years. Tax returns should be saved indefinitely. For household receipts, two or three years is adequate. Insurance policies should be saved as long as they are in force.

An Overview

Start the budget process by writing down your fixed monthly expenses like rent, car payments, and insurance. Then make a list of your flexible expenses like groceries, utilities, gasoline, and medical expenses. Finally, list discretionary expenses such as clothes, entertainment, etc. Make sure you don't leave anything out; don't forget your morning cup of coffee or your newspaper! The key is to include everything you spend money on. Look back over your check stubs or bank statement to see where you've been spending money.

Try to follow these suggested percentages for spending:

Savings	10%
Housing	25%
Transportation	15%
Utilities	10%
Food	10%
Clothing	5%
Medical/Health	10%
Personal	5%
Entertainment	5%
Debts	5%

For the first few months you use this management plan, think of it as a work in progress. Don't get discouraged if things don't fall into place easily. You may have to tweak your budget by changing categories, adjusting the dollar amounts, or both. Just stick with it. Each month, you'll get better at anticipating and planning your monthly expenses.

Budgeting



Congratulations
for deciding to chart a positive
course of action for your life that
will prove beneficial to you and
your family!

**Budgeting is a way for you to
turn dreams into reality by
setting realistic goals
and priorities.**

End-of-the-Month Budget Analyzer

After you have used your budget for two months, use this worksheet to compare what you actually spent against the amount you budgeted. This will give you a clear picture of how realistic the amounts you budgeted are for each item and will allow you to be more accurate when doing your next monthly budget .

Month/Year: _____ Monthly Income: _____

Expenses	Budgeted	Actual
Mortgage/Rent	\$ _____	\$ _____
Electricity	\$ _____	\$ _____
Gas/Oil	\$ _____	\$ _____
Taxes	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Repairs/Upkeep	\$ _____	\$ _____
Other	\$ _____	\$ _____
Groceries	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Self Care	\$ _____	\$ _____
Toiletries	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Accessories	\$ _____	\$ _____
Dry Cleaning	\$ _____	\$ _____
Life Insurance	\$ _____	\$ _____
Medical	\$ _____	\$ _____
Dental	\$ _____	\$ _____
Spiritual	\$ _____	\$ _____
Therapy	\$ _____	\$ _____
Financial Counseling	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Parental Care	\$ _____	\$ _____
Pets	\$ _____	\$ _____
Car Payment	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Gas	\$ _____	\$ _____
Parking/Tolls	\$ _____	\$ _____
Bus/Train	\$ _____	\$ _____
Movies	\$ _____	\$ _____
Video Rentals	\$ _____	\$ _____
Concerts	\$ _____	\$ _____
Sporting Events	\$ _____	\$ _____
Dining Out	\$ _____	\$ _____
Other	\$ _____	\$ _____
Savings Account	\$ _____	\$ _____
Emergency Fund	\$ _____	\$ _____
Retirement	\$ _____	\$ _____
Stock/Mutual Funds/	\$ _____	\$ _____
Petty Cash	\$ _____	\$ _____
Allowance	\$ _____	\$ _____
Gifts	\$ _____	\$ _____
Periodicals/Magazines	\$ _____	\$ _____
Dues/Donations	\$ _____	\$ _____
Other	\$ _____	\$ _____

STEP-BY-STEP GUIDE TO CREATING A SPENDING PLAN

STEP 1

List all sources of monthly income including gifts, bonuses, tax refunds, cost of living increases, dividends, and interest income, etc.

Use the Income Worksheet in this booklet to keep track of your income.

STEP 2

Separate expenses into three categories: fixed, flexible, and discretionary.

Use the Credit Card and Expenses Worksheets in this booklet to keep track of your expenses.

Fixed expenses remain the same each month. Examples are rent, car loans, insurance premiums, etc. Add up all fixed expenses.

Flexible expenses are items for which you control the amount spent. These include household and grocery items, restaurant expenses, utilities, entertainment, out of pocket expenses, etc. Add up all flexible expenses.

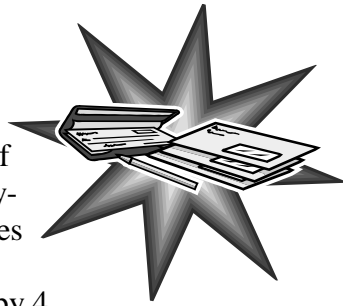
Discretionary expenses are items that are not necessary for survival. If you are spending more money than you earn, items from this category should be eliminated or cut back. Add up all discretionary expenses.

STEP 3

Total all monthly expenses and subtract the total from your total monthly income.

STEP 4

Divide your total expenses by the frequency of income or the number of paychecks the household receives each month. (For example: \$1,500 in expenses divided by 4 paychecks = \$375 needed per paycheck to pay for your expenses.) If the expense total is greater than the income total, you need to decide what steps you can take to reduce your monthly expenses or to earn additional income.



STEP 5

Prioritize your expenses. Keep track of when you use credit cards. Then ask yourself if you want to borrow every month for these expenses.

You should set aside enough savings each month to cover fixed and some flexible expenses. By reserving your funds in this way, you can avoid living from paycheck to paycheck.

Review your spending plan each month, to start. At the end of each month, compare actual expenses against what you budgeted. As time passes, you may want to only perform this comparison on a quarterly basis.

NOTE: Before using the following Worksheets, please make 12 or more copies of each of them. This will allow you to keep track of your budget for the entire year and will permit you to make necessary adjustments in your income, expenses, and priorities.

Discretionary Expenses Worksheet

Discretionary expenses are items that are not necessary for survival. After you have tracked your spending for a month, put the total amount spent for each category in the Current Payment field.

When you have finished recording your current payments for all of the categories, go back and determine if you need to adjust the amount spent. If your expense-to-income-ratio is out of balance and you are spending more money than you earn, items from this category should be eliminated or cut back first.

In the Adjusted to Balance Income field put amount to be spent on the category next month.

Monthly Expenses	Current Payment	Adjusted to Balance Income
Recreation		
Movies/Plays		
Dining Out		
Sporting Events		
Magazines/Newspapers		
Barber/Beauty Salon		
Hobbies		
Fund-Raisers/Dues		
Other		
Other		
Total		

Flexible Expenses Worksheet

Flexible expenses are items for which you control the amount spent. These include household and grocery items, restaurant expenses, utilities, entertainment, out of pocket expenses, etc.

After you have tracked your spending for a month, put the total amount spent for each category in the Current Payment field. When you have finished recording your current payments for all of the categories go back and determine if you need to adjust the amount spent.

If you want, or need, to spend less next month on a certain category put that amount in the Adjusted to Balance Income field and allocate that amount to be spent on the category next month.

Monthly Expenses	Current Payment	Adjusted to Balance Income
Telephone Bill		
Electric/Gas/Oil/ Fuel Bill		
Cable Television Bill		
Groceries		
Household Supplies		
School Supplies		
Clothes		
Dry Cleaning/ Laundry		
Savings <i>(5% is your starting goal)</i>		
Other		
Other		
Other		
Other		
Total		

Income Worksheet

Use this form to track your income. List all sources of income including cash gifts, bonuses, tax refunds, cost-of-living increases, etc. All earnings you list should be net amounts (after taxes).

Income Sources	Weekly/Bi-Weekly Income	Monthly Income
Your Wages		
Spouse's Wages		
Part-Time Wages		
Child Support		
Alimony		
Social Security Benefits		
Veteran's Benefits		
Other		
Other		
Other		
Total		

Credit Card Worksheet

Use this form to track your credit card debt. List all credit cards, including major credit cards, department store credit cards, gas credit cards, and dining cards. When you are finished, total up the amount and transfer it to the appropriate column on the fixed expense worksheet.

Creditor's Name	Creditor Balance	Monthly Payment
1.		
2.		
3.		
4.		
5.		
6.		
7.		
9.		
10.		
Total		

Fixed Expenses Worksheet

Fixed expenses stay the same every month, such as mortgage or rent payments, loan payments, insurance premiums, car payments, etc. In the Current Payment field, record the amount of your monthly payments.

Monthly Expenses	Current Payment
Mortgage/Rent	
Real Estate Taxes	
Homeowners Insurance	
Car Loans/Lease Payments	
Car Insurance	
Student Loans	
Alimony/Child Support	
Medical Insurance	
Credit Card Debt (totalled from the credit card worksheet)	
Other	
Other	
Other	
Other	
Total	