

Living with financial stress is exhausting. Whether you are struggling paycheck to paycheck for life's basic necessities, or making good money, everyone needs to know and apply sound financial management skills to effectively handle life's challenges. Only when you are consistently living according to your own individual plan will your financial worries begin to disappear. A sound, well organized, and thoughtful financial plan will provide the peace and security we all need. Financial planning is a lifelong, personal process that you create and adapt based upon your unique needs and values. With careful planning and the assistance of Morgan Drexen, we are confident you can begin to improve your financial health.

Creating and Living Within a Budget

I. Assessing Your Income And expenses

How do you get to where you want to go in life? By taking the time to think about your needs and interests, and taking action. The first step in understanding your current financial situation is to list all of your monthly income and expenses. You cannot begin to plan your financial future without understanding where your money is coming from and where it is being spent. This process does not have to be complicated, but it needs to be thorough. You need to identify every source of income and account for every expense you expect to incur.

sample Income sheet

Below is a list of typical sources of income. You may have additional or different sources, so please adjust your own list accordingly.

1. Wages, salary, tips, bonuses, overtime, commissions _____
2. Income from operation of a business _____
3. Rent and other real property income _____
4. Interest, dividends, and royalties _____
5. Pension/retirement (NOT social security) _____
6. Alimony, child or any type of family support _____
7. Social Security _____
8. Unemployment _____
9. Other _____

b. sample expense sheet

Below is a list of some typical expenses. You may have additional or different expenses, so make sure you adjust your own list accordingly. Please also take into consideration any foreseeable increases within the next year of any of the following amounts.

1. Rent or home mortgage _____
2. Utilities: a. Electricity and heating fuel _____ b. Water, sewer, and trash _____
3. Telephone service _____
4. Internet _____
5. Television _____
6. HOA _____
7. Other utilities _____
8. Home maintenance (repairs and upkeep) _____
9. Food _____
10. Clothing _____
11. Laundry & dry cleaning _____
12. Medical and dental expenses _____
13. Transportation (do NOT include car payments here) _____
14. Recreation and entertainment _____
15. Insurance NOT deducted from wages or included in home mortgage payments:
 - a. Homeowner's or renter's insurance _____
 - b. Life insurance _____
 - c. Health insurance _____
 - d. Auto insurance _____
16. Installment payments for car, furniture _____
17. Alimony, maintenance and support paid _____
18. Payments for support of additional dependents _____
19. Expenses from operation of business/farm _____
20. Emergency fund contribution _____
21. Other expenses _____