

UNDERSTANDING MY BUDGET OPPORTUNITIES

STEP ONE: INCOME CALCULATION

1. Prepare a list of your income from all sources before tax for previous year.
2. Subtract the amount you paid in income taxes last year
3. Net Income: \$ _____

STEP TWO: EXPENSE CALCULATION

1. Prepare a detailed, exhaustive list of all your expenses.
For those expenses that are hard to quantify annually, look at them over a one month period and multiply by 12. Does that figure look reasonably correct?
2. Group them under headings or categories like the worksheet on the next page
3. Total the expenses for the year AND subtract from net income
4. Do you have a surplus: \$ _____ or a deficiency: \$ _____?

NOW YOU CAN ANSWER THOSE QUESTIONS OR COMMENTS LIKE.....

*I don't know where all my money goes!
Why don't I have any money to give to charity or for saving?
Why are my credit card balances always so high?*

STEP THREE: EXPENSE ANALYSIS

1. Identify the discretionary and non-discretionary expenses
2. Identify the discretionary portion of the non-discretionary expenses
*Can you minimize or eliminate any of these?
What is missing from this list, i.e. charitable giving, savings, investments, extra debt payments*
3. Total up the "true" monthly amounts of the necessary non-discretionary expenses
4. Subtract that from your net income AND divide by twelve: \$ _____

This is your total discretionary income for the month

WHAT ARE YOUR OPTIONS TO INCREASE DISCRETIONARY INCOME?

1. Increase income through current job options
2. Seek out a second income source
3. Yard sale to cash in unnecessary belongings
4. Move debt to lower interest options and maximum debt payments
5. Destroy excess credit cards and pay cash
6. _____
7. _____
8. _____
9. _____
10. _____



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We hope that this article has been of assistance to you. Periodically we conduct seminars/workshops on issue such as this article's contents. If you would be interested in attending an upcoming event, please contact our office for schedule and times.