



HOW TO DEVELOP YOUR HOUSEHOLD BUDGET

If you're not sure where all your money goes, then it may be time for you to create a household budget. A budget is an important tool for keeping your finances in order and monitoring expenses. Here are the steps to develop a household budget:

1. **Calculate your monthly income.** Most people know how much money they make per year, but that number can be misleading. When developing your budget, you need to calculate your monthly take-home pay (the amount after all of your taxes and other deductions are removed). Besides your monthly take-home pay, be sure to list any extra income you receive from bonuses, commissions, investments, child support and other sources.
2. **List your monthly expenses.** Make a chart to list all of your monthly expenses. Include everything -- even gas for your car and miscellaneous expenses such as birthday gifts and co-pays for doctor's appointments. If possible, make your chart on a computer spreadsheet from a program like Excel -- that way, you can easily track your expenses each month. Here are some items that you should include on your monthly expense chart:
 - * Money towards savings -- you should always pay yourself first
 - * Mortgage or rent payment
 - * Insurance (automotive, homeowner's, rental and medical insurance premiums)
 - * Taxes that are not already deducted from your paycheck
 - * Utilities like electric, gas, water and telephone
 - * Cell phone
 - * Cable or satellite TV
 - * Internet fees
 - * Loans such as car loans, home equity loans and student loan payments
 - * Credit cards
 - * Groceries
 - * Child care expenses
 - * School tuition
 - * Medical co-pays and prescriptions
 - * Car expenses like fuel and maintenance
 - * Church or charity donations
 - * Entertainment such as dining out and movies
 - * Miscellaneous expenses of vacations, clothing, gifts and a variety of other things

