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Steps Into Spending

Michigan State University

Cooperative Extension Service

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1. Set Your  
Goals

2. Design  
Your Plan

3. Put Plan  
Into Action

4. Make Your  
Plan Work

# Steps into Spending

Extension Bulletin E-910  
Family Living Series

Family Resource Management  
Cooperative Extension Service  
Michigan State University

50¢

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If you prefer to budget weekly, ask your Extension Home Economist for:  
 Extension Bulletin E725, BE THE BOSS: TELL YOUR MONEY WHERE  
 TO GO.

# Steps into Spending

*Prepared by Kathy Merrill and adapted by Sherry Siegel and Irene Hathaway, Department of Family Ecology, College of Human Ecology, Michigan State University.*

WANT TO GET THE MOST FOR THE MONEY you have available to spend? Then this booklet is for you! It's designed to help you plan your spending—to *manage* your money—to get the most satisfaction from it. The four steps to efficient money management are: set your goals, design your plan, put your plan into action, and check to see that it's working.

## STEP I: Set Your Goals

Goals for money management have two parts:

1. *what* your family needs and wants from its money, and
2. *when* the family wants to achieve it. Things you want or need soon are short-term goals. Things that you can wait for or that take a long time to reach are long-range goals.

## OUR GOALS

<i>Short Term</i>	\$	?	<i>Long Term</i>	\$	?

It is usually easier to reach your goals if all members of the family help set them and then work together to reach them. Deciding to spend money for one thing means not being able to spend it for something else. So it's important that each family member understands why the spending decisions are made and feels like one of the deciders.

Write down your goals before you start planning how you'll reach them.

## STEP II: Design Your Plan

Your goals are where you want to go. Your spending plan is how you will get there. Constructing your plan will also help you find out where your money is going. It will help you get more satisfaction from your money and make it easier to tell whether you really can afford that new TV.

Your spending plan will be different from anyone else's because your family is unique. No other family is just like yours in the number of members, their ages and sex, their health, activities, likes and dislikes. And no other family will have exactly the same needs, goals, expenses and resources. So you must design a spending plan that fits your family. Here's how:

1. *Figure out how much you have to spend.* This is your total income. It includes not only your take-home wages or salary, but also Social Security benefits, welfare checks, food stamps, interest and dividends, rent someone pays you, etc. Do not include overtime pay, a Christmas bonus that isn't certain, a raise you hope to

get or any other "maybe" income. If a strike or layoff threatens, be realistic about how much income you can depend on.

To plan your spending by the month, divide your total income for the year by 12.



## Our Annual Income

Sources	Amount
Total	
If you want to plan:	
MONTHLY, divide total income by 12-----	

2. Figure out how much you spend now. Expenses will fall into two categories:

*Fixed expenses* are things like rent, utilities and insurance premiums, which do not change much from month to month. You

## OUR PAST EXPENSES

Annual Fixed Expenses		Amount
Rent or Mortgage (including taxes)		
Special Expenses (dues, license plates, etc.)		
Insurance	Health	
	Homeowners or Renters	
	Life	
	Car	
Utilities	Electricity	
	Gas	
	Telephone	
	Water	
Installment Payments	Other:	
	Car	
	Other:	
Other:		
If you want to budget:		Total
MONTHLY, divide total by 12-----		

can change them, of course, up or down, by moving or by changing an insurance policy, for instance.

*Flexible expenses* vary from month to month. These include food, clothing, transportation, personal allowances, household op-

## OUR PAST EXPENSES

FLEXIBLE EXPENSES	AMOUNT
Food (home and away)	
Household Operations, Supplies, Upkeep	
Furnishings and Equipment	
Transportation (car expense, bus fares)	
Medical (doctor, dentist, medicine)	
Recreation and Entertainment	
Education	
Clothing	
Personal Expenses (barber, allowances)	
Gifts	
Contributions	
Emergency Fund	
Savings, Investments	
Other:	
<b>TOTAL</b>	

erations, drycleaning and laundry, recreation and other needs.

The best way to develop a spending plan is to look up your past expenses to use as a guide. You can use old records such as receipts, bills and cancelled checks to do this.

First figure your fixed expenses on an annual basis. Then divide by 12 to get a monthly total. Don't forget those once-in-a-while large expenses . . . such as quarterly insurance payments or license plates.

To figure flexible expenses, use past records or keep track of what you spend for a month or two before making your plan. Don't forget those large expenses not paid in the months you are recording in, such as Christmas gifts or the month you fill the freezer.

If you need a spending plan now and don't have any past records, estimate these expenses for the first month, then adjust your spending plan according to actual figures.

On the basis of past expenses, take a realistic look at making your spending plan for the future. Always keep in mind the goals you want to reach with your income. Check to make sure the goals you wrote on page 1 are being met or will be met in the future by your spending plan.

In looking ahead, keep in mind changes in your family—are your children's expenses growing or contracting?—will a second wage earner need more clothing, transportation or help in the house?

Is the cost of living staying the same or going up? Which areas seem to be the hardest to keep within your planned amount now—food, clothing, recreation? Be sure to take this into account when making your plan.

3. *Figure out how much to set aside for fixed expenses* on a monthly basis. Again look at fixed expenses on an annual basis so that all those irregular, quarterly or semi-annually payments are included. It's best to put aside a fixed amount for all fixed expenses each month so that you are sure to have it when you need it. Then divide by 12 to get a monthly figure.

Take a critical look at your credit payments to see how large a portion of your spending is already committed. This may be an area where you can make a major change in fixed expenses by limiting your use of credit.

# OUR SPENDING PLAN

<i>Annual Fixed Expenses</i>		<i>Amount</i>
Rent or Mortgage (including taxes)		
Special Expenses (dues, license plates, etc.)		
Insurance	Health	
	Homeowners or Renters	
	Life	
	Car	
Utilities	Electricity	
	Gas	
	Telephone	
	Water	
	Other:	
Installment Payments	Car	
	Other:	
Other:		
<i>Total</i>		
If you want to budget:		
MONTHLY, divide total by 12-----		

4. *Figure out how much to set aside monthly for flexible expenses.* While flexible expenses can vary from month to month, it's important to be realistic in how much you can adjust them. It may look easy to lower your food expenditures, but remember that adequate nutrition should be a primary family goal. Cutting out entertainment will only reinforce the idea that planning makes life impossible.

When you're figuring expenses, include savings and an emergency fund. Saving is a good way to put aside money for long-range goals. A small amount put aside regularly will help you reach those goals. And an emergency fund can cover unexpected expenses, such as a car breakdown, that could turn your spending plan inside out. Set a goal for your emergency fund and put a fixed amount into it regularly until you have reached that total.

A spending plan needs to be flexible. Don't make your plan so precise that it cannot meet changing needs and circumstances.

By actually writing down your plan, it helps your family to:

1. be honest about the things you can afford.
2. get the most satisfaction from your money.
3. reach your goals.
4. see just how much money is being spent on certain items.

5. *Check your plan.* Write down your monthly income. Subtract fixed expenses from income. What's left is the amount available to spend on flexible expenses.

# OUR SPENDING PLAN

FLEXIBLE EXPENSES	Monthly	AMOUNT
Food (home and away)		
Household Operations, Supplies, Upkeep		
Furnishings and Equipment		
Transportation (car expense, bus fares)		
Medical (doctor, dentist, medicine)		
Recreation and Entertainment		
Education		
Clothing		
Personal Expenses (barber, allowances)		
Gifts		
Contributions		
Emergency Fund		
Savings, Investments		
Other:		
TOTAL		

Figure your balance on the following space.

## BALANCE SHEET

Monthly Income

Less Fixed Expenses

Equals Flexible Expenses

If you balance—things are great!

If you have more for flexible expenses than you planned—that's even better. You may be able to reach your short term goals more quickly or put the money in savings for those long-term goals.

If you have less for flexible expenses than you planned—you need to make some adjustments. Involve the whole family in finding ways to do the trimming. You may discover many ways that your family is willing to economize and it's easier when everyone understands and cooperates.

### **STEP III: Put Your Plan Into Action**

Keep a record of your income and your spending. Record what you spend often enough that you don't forget something, but not so often that it's a great bother. Use the charts on pages 8-31 or design your own. It's easier to keep records if you have a separate column for each type of expense—food, clothing, transportation, etc. Record the amount you plan to spend during the month at the top of the column. This way you can tell very quickly if you're overspending.

Record tax-deductible items in a special area so you can find them easily at income tax time.

Have a separate column for items you buy on credit so you can set aside money to pay for them. You should also write them down in the proper category: home furnishings, clothing, household operations, etc.

At the end of your month of recording, add up what you spent in each category. Then compare the total with the amount you planned to spend. If you are not happy with the results, check for ways to adjust your plan or your spending.

### **STEP IV: Making Your Plan Work**

If you designed your spending plan carefully, it should work fairly well for you. You can help it by:

- limiting unnecessary spending. Plan your purchases and resist buying things on the spur of the moment.

- developing or improving your shopping skill. Learn to take advantage of specials and sales. Use Extension bulletins and other sources of consumer information. Read newspaper ads and use coupons when using them will really save you money. Compare quality and price of items of different brands or in different size packages. Plan meals and make a shopping list so you don't buy extra items.

- looking for alternatives that will be just as good but cost less. For example, instead of buying books and magazines, start going to the public library. Look for lower cost foods you can use in place of more expensive ones without cutting back on nutrition. Or spend a family evening at home watching TV and eating popcorn instead of going out to a movie.

- using installment credit only when necessary. Items you buy

on credit cost more, so be sure you know what Annual Percentage Rate (APR) you are paying.

- making what you have do for a while instead of buying something new. Clean up, repair or reuse an item rather than throwing it out and buying something new. And take care of the things you already have. Clothes last longer and look nice longer if they are kept clean and neatly stored. Food keeps better when it's properly stored. And less waste means lower cost to you. Equipment or household appliances last longer and work better when you follow manufacturer's instructions.

Set up regular family meetings to check up on your spending plan. You may want to ask yourself questions like these:

- Did we spend money for items we hadn't planned for? Why? What would we do next time?

- Were we unable to get some of the things we wanted? Why?

- Did we spend more than we planned for some items?

- Are we satisfied with our plans and record keeping? What would we change next month?

- What items should we plan for next time?

- Was our plan realistic? Were our estimated expenses much too high in one place and too low in another?

- Was our plan flexible enough to meet unplanned expenses or emergencies without upsetting the whole plan?

- Was impulse buying reduced?

- Are all family members cooperating and following the spending plan to the best of their ability?

- Did we avoid borrowing from one category of expenses to another?

### **Keep at it!**

Don't give up! Your spending plan can work. And it can be very valuable. It can show you whether you're really progressing toward your life goals and getting what you want for your money. It can help point out spending mistakes and adjustments that need to be made. It can show whether each member of the family is receiving a fair share of the family's resources. And it can help a family feel secure by outlining how much the family can afford to spend.

Use the charts on the following pages to record and check your family spending plan.

## HOW TO USE THE CHARTS ON THE FOLLOWING PAGES

- 1** Record your day to day expenses for the current month in each category. Total each category.

- 2** Record your monthly total for each category on the Yearly Record of Expenses, p. 32. Total all the categories for the month.

- 4** Enter your total monthly income and total monthly expenses on the Monthly Summary, p. 35. Figure your balance each month.

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### DAY TO DAY EXPENSES

Housing—Rent or Mortgage (including taxes) Planned \$195.00	Furnishings and Equipment—appliances, linens, furniture Planned \$100.00	Clothing—Ready to wear, shoes, dry cleaning, laundry, sewing materials Planned \$45.00
1-30 Spec. Grano 107.30	1-5 Bed 98.00	1-15 Dress 29.95
1-29 Mtg. Rent 195.00		1-15 Shoes 9.50
		1-17 Dry Clean 5.45
TOTAL 302.30	TOTAL 98.00	
Utilities—Gas, electricity, water, tele, phone, etc. Planned		
Transportation—Car expenses, bus fare Planned		
TOTAL	TOTAL	TOTAL 44.90

### YEARLY RECORD OF EXPENSES

Month	FOOD	HOUSING	TRANSPORTATION	FURNISHINGS & EQUIPMENT	UTILITIES	HOUSEHOLD OPERATIONS	CLOTHING	MONTHLY TOTAL
January		\$ 302.30		\$ 98.00			\$ 44.90	\$ 925.00
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
Yearly Total								

### MONTHLY SUMMARY

MONTH	TOTAL INCOME	- TOTAL EXPENSES	= BALANCE
January	\$ 948.00	\$ 925.00	\$ 23.00
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

- 3** Record your month's income on the Yearly Record of Income, p. 34. Total for the month.

### YEARLY RECORD OF INCOME

Month	WAGES OR SALARY TAKE HOME PAY <sup>1</sup>	2.	SOCIAL SECURITY	A.D.C. OF WELFARE	UNEMPLOYMENT COMPENSATION	FOOD <sup>2</sup> STAMPS	PENSION	INTEREST, DIVIDENDS	BONUS, COMMISSION	MISC.	MONTHLY TOTAL
January	\$ 646.00	\$ 224.00						\$ 46.00		\$ 32.00	\$ 948.00
February											

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

Food—Groceries, school lunch, meals away from home Planned _____			Housing—Rent or Mortgage (including taxes) Planned _____			Furnishings and Equipment—appliances, linens, furniture Planned _____			Clothing—Ready to wear, shoes, dry cleaning, laundry, sewing materials Planned _____			Personal—Barber and beauty shop, toilet supplies, cigarettes, allowances Planned _____		
						TOTAL								
						Utilities—Gas, electricity, water, telephone, etc. Planned _____								
			TOTAL											
			Transportation—Car expenses, bus fare Planned _____											
						TOTAL						TOTAL		
						Household Operation—supplies, upkeep Planned _____						Gifts—Money and gifts for persons outside the family Planned _____		
TOTAL			TOTAL			TOTAL			TOTAL			TOTAL		

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

# SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

## Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

# SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

## Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

# SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

## Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

Food—Groceries, school lunch, meals away from home Planned_____			Housing—Rent or Mortgage (including taxes) Planned_____			Furnishings and Equipment—appliances, linens, furniture Planned_____			Clothing—Ready to wear, shoes, dry cleaning, laundry, sewing materials Planned_____			Personal—Barber and beauty shop, toilet supplies, cigarettes, allowances Planned_____		
						TOTAL								
						Utilities—Gas, electricity, water, telephone, etc. Planned_____								
			TOTAL											
			Transportation—Car expenses, bus fare Planned_____											
						TOTAL								
						Household Operation—supplies, upkeep Planned_____						Gifts—Money and gifts for persons outside the family Planned_____		
TOTAL			TOTAL			TOTAL			TOTAL			TOTAL		

# SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

## Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

[illegible]

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

Food—Groceries, school lunch, meals away from home Planned _____			Housing—Rent or Mortgage (including taxes) Planned _____			Furnishings and Equipment—appliances, linens, furniture Planned _____			Clothing—Ready to wear, shoes, dry cleaning, laundry, sewing materials Planned _____			Personal—Barber and beauty shop, toilet supplies, cigarettes, allowances Planned _____		
						TOTAL								
						Utilities—Gas, electricity, water, telephone, etc. Planned _____								
			TOTAL											
			Transportation—Car expenses, bus fare Planned _____											
						TOTAL								
						Household Operation—supplies, upkeep Planned _____						Gifts—Money and gifts for persons outside the family Planned _____		
TOTAL			TOTAL			TOTAL			TOTAL			TOTAL		

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

Recreation—movies, trips, sports, etc. Planned _____	Savings—Savings accounts, stocks, re- tirement plans Planned _____	Insurance—Life, health, property, dis- ability, car Planned _____	Credit—Charge accounts, bank cards, gas cards Planned _____	Emergency Fund Planned _____
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL		
TOTAL	TAX DEDUCTIBLES			
Education—School supplies, tuition, books, magazines Planned _____	Medical Doctor, dentist, hospital Planned _____	Contributions—Church community drives, alimony, dues Planned _____		
				TOTAL
				Other: Planned _____
	TOTAL	TOTAL	TOTAL	
	Medicine and Drugs	Interest—On loans, charge accounts	Installment Payments Planned _____	
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

MONTH \_\_\_\_\_ 19\_\_\_\_

## DAY TO DAY EXPENSES

[illegible]

## SAVINGS, INSURANCE, TAX DEDUCTIBLES, AND CREDIT

### Day to Day—(Cont.)

[illegible]

## YEARLY RECORD OF EXPENSES

Month	FOOD	HOUSING	TRANSPORTATION	FURNISHINGS & EQUIPMENT	UTILITIES	HOUSEHOLD OPERATIONS	CLOTHING	PERSONAL	GIFTS	RECREATION
January	\$	\$	\$	\$	\$	\$	\$	\$	\$	
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										
Yearly Total										

## TAX DEDUCTIBLE EXPENSES YEAR 19\_\_\_\_

### Yearly Record of Expenses (Cont.)

[illegible]

## YEARLY RECORD OF INCOME

Month	WAGES OR SALARY TAKE HOME PAY <sup>1</sup>		SOCIAL SECURITY	A.D.C. or WELFARE	UNEMPLOYMENT COMPENSATION	FOOD <sup>2</sup> STAMPS	PENSION	INTEREST, DIVIDENDS	BONUS, COMMISSION	MISC.	MONTHLY TOTAL
	1.	2.									
January	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
February											
March											
April											
May											
June											
July											
August											
September											
October											
November											
December											
Yearly Total											

<sup>1</sup> TAKE HOME PAY is everything except income taxes (federal, state and local) and F.I.C.A. (Social Security). If you have other deductions such as savings bonds, insurance, etc., record them in the appropriate expense category.

<sup>2</sup> FOOD STAMPS—take the total amount of food stamps purchased less the dollar amount you paid to find the amount of additional income you received.

Example:            If you buy        less    What you pay    =    Additional Income  
                          \$120 worth of stamps    —        \$95                =        \$25

Each month take your total income from the Yearly Record of Income on page 34 and your total expenses from the Yearly Record of Expenses on pages 32-33 and enter on this monthly summary.

### MONTHLY SUMMARY

MONTH	TOTAL INCOME	— TOTAL EXPENSES	= BALANCE
January	\$	\$	\$
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

## HOW MUCH ARE YOU REALLY WORTH?

1. Fill in the first column as you begin this workbook. A year later, fill in the second column.
2. Be realistic about the market value of your assets, particularly personal property. This is the amount you would receive if you had to sell today.
3. Changes in your net worth show whether or not you're making financial progress.

### YOUR NET WORTH STATEMENT

ASSETS—What You Own	Now/Date	1 Yr. Later
<i>CASH</i>		
Cash on hand		
Checking account		
Savings account		
Credit Union balance		
<i>INVESTMENTS</i> —current market value		
Stock, mutual funds		
Bonds		
U.S. Savings Bonds		
<i>LIFE INSURANCE</i> (cash value)		
<i>PENSION, PROFIT SHARING</i> (cash value)		
<i>REAL ESTATE</i> (market value)		
Home		
Other		
<i>PERSONAL PROPERTY</i> (market value if I had to sell)		
Furniture, appliances		
Jewelry		
Stereo, piano, organ		
Automobile(s)		
Other vehicles		
OTHER ASSETS		
TOTAL		

LIABILITIES—What You Owe	Now/Date	1 Yr. Later
<i>MORTGAGE DEBT</i>		
<i>INSTALLMENT DEBT</i>		
Auto loan(s)		
Other:		
<i>PERSONAL LOANS</i>		
Credit Union		
Bank		
Loan Company		
Life Insurance		
<i>CURRENT BILLS</i>		
Credit cards		
Charge accounts		
Doctor bills		
Other:		
<i>OTHER LIABILITIES</i>		
TOTAL		

TOTAL ASSETS \_\_\_\_\_  
 MINUS TOTAL LIABILITIES — \_\_\_\_\_  
 BALANCE = NET WORTH \_\_\_\_\_  
 (+ or -) \_\_\_\_\_

### **A WORK CENTER FOR FAMILY BUSINESS**

- Fix up a special place for doing your planning and recording.
- Use a box, drawer or file for important papers and this workbook.
- Keep your bills, receipts, records, contracts and other business papers all together.
- Keep them handy to use and refer to, as well as safe.
- Record in pencil in this workbook so it will be easier to correct any errors.

### **WHERE TO KEEP YOUR MONEY**

- A *checking account* can be a safe and convenient place to keep money. Cancelled checks provide a legal proof of payment for bills, as well as a doublecheck on past spending.
- A *savings account* is an excellent place to keep money you have put aside for your long-range goals. It's easy to take out when you need it and, until you do, it earns interest.
- If your family prefers to plan with cash, you might like the *envelope method*. Small amounts of money are kept in boxes, envelopes or jars marked for each category of spending. This system requires a lot of will power to keep from borrowing from one envelope to another. Also, you need a safe place to keep the envelopes so the money won't be lost or stolen.