

# Budgeting Basics

Take control of your money with a clear, simple spending plan

## 5 STEPS TO BUILD YOUR BUDGET

- 1 Set Guidelines**  
Decide how much goes toward each expense category. Spend more in one area? Reduce another accordingly.
- 2 Add Up All Income**  
Include every source: salary, interest, pension, freelance, and any other income. Every dollar counts.
- 3 Estimate Expenses**  
Separate fixed costs (rent, car payments) from flexible ones (groceries, dining out) — they require different strategies.
- 4 Find the Difference**  
Income minus expenses equals your disposable income. Negative number? That means expenses need to be cut.
- 5 Track, Trim & Target**  
Review actual vs. planned spending monthly. Redirect every dollar you save toward your emergency fund and goals.

**💡 Reevaluate your budget** any time there's a significant change in income or expenses — a raise, a new rent, or a major life event.

### HOW AVERAGE AMERICANS SPEND (AFTER TAX)

Housing	25%
Transportation	20%
Life Insurance & Pensions	14%
Groceries	10%
Health Care	10%
Utilities	10%
Entertainment	8%

Source: U.S. Bureau of Labor Statistics, as cited by Visa Practical Money Skills

## SET SMART FINANCIAL GOALS

After trimming extra spending, give yourself a target to save toward each month. Use the SMART framework:

- A Attainable**  
Realistic and actually possible
- R Relevant**  
Makes sense for your life
- S Specific**  
Suggests a clear action to take
- M Measurable**  
Has a specific target date attached

## MONTHLY BUDGET WORKSHEET

### INCOME

Salary / Wages

Other Income

**Total Monthly Income**

### FIXED EXPENSES

Housing / Rent

Car / Transportation

Insurance

Debt Payments

### FLEXIBLE EXPENSES

Food / Groceries

Utilities

Entertainment

Medical

**Left for Saving & Investing**

