



SPENDING PLANS

Financial Toolbox



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Printed in the United States of America

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1. Budgeting and Expense Planning

Budget Busters

Consider Your Own Budget Busters					% of Annual Gross Income	
Budget Buster	Daily	Weekly	Monthly	Yearly	\$25K	\$45K
Lunch Out	\$6.00	\$30	\$130	\$1,560	6.2%	3.5%
15 Mile Commute to Work	\$4.80	\$24	\$104	\$1,250	5.0%	2.8%
Coffee	\$4.00	\$20	\$87	\$1,040	4.2%	2.3%
Movies (2 Tickets, Popcorn, Drinks, Treats)		\$35	\$152	\$1,820	7.3%	4.0%
Nightlife-Saturday Night		\$30	\$130	\$1,560	6.2%	3.5%
Movie Rental Club			\$15	\$180	0.7%	0.4%
Cell Phone with Unlimited Minutes/Texting			\$124	\$1,488	6.0%	3.3%
Credit Card Interest (per \$1,000 balance)			\$15	\$180	0.7%	0.4%
Gift Giving (Birthdays)			\$50	\$600	2.4%	1.3%
Digital Cable or HD Satellite TV			\$60	\$720	2.9%	1.6%
Dinner Out for Two-Weekend		\$40	\$173	\$2,080	8.3%	4.6%
Beer (1 Bottle after Work)	\$1.50	\$7.50	\$33	\$390	1.6%	0.9%
Designer Bottled Water (1 liter per Day)	\$2.50	\$17.50	\$75	\$910	3.6%	2.0%
Two Vending Machine Purchases at Work	\$2.00	\$10	\$43	\$520	2.1%	1.2%
Cigarettes (1 Pack per Day)	\$5.00	\$35	\$152	\$1,820	7.3%	4.0%
ANNUAL TOTALS				\$16,118	65%	36%

Most of us know how much we spend each month on our mortgage or rent. Most of us know what our car payment is. We may even know how much we spend monthly on car insurance, utilities, and phone service. However, when it comes to how much we spend on smaller items on a daily, weekly or monthly basis, most people don't realize how quickly these expenses add up. We call these expenses, "**Budget Busters.**"

Often, these "**Busters**" are the expenses that push us over budget month after month. Find your own "budget busters" below and see how much it adds up to on an annual basis. Finally, commit now to reduce (if not eliminate) your "Budget Busters." Alternative strategies are listed at the bottom.



Lots of little expenses can break the bank!

<p>Lunch Out: Take a bag lunch 2-3 times weekly, and save \$4 or more each time.</p> <p>Commute: Share a ride. Call the local public transportation for options.</p> <p>Coffee: Cut back or brew at home. Avoid gourmet coffee houses.</p> <p>Movies: Try the "Second Run" cinema. Skip the popcorn and soda.</p>	<p>Nightlife: Take the budgeted amount in cash. Leave credit card at home.</p> <p>Movie Rental Club: While this is cheaper than renting or going to a movie, consider free alternative entertainment: museums, parks, parlor games, etc.</p> <p>Cell Phone: Get a pre-paid phone or consider doing without.</p> <p>Credit Card Interest: If you can't afford to pay it off IN FULL every month, you can't afford to use the card!</p>	<p>Gift Giving: Being generous is great, but being thoughtful is even better. Consider making the gift or writing a personal note of appreciation.</p> <p>Digital Cable or HD Satellite TV: Buy a \$10 antenna and get network and local channels for free.</p> <p>Dinner Out: Eat out every other week or eat at less expensive restaurants.</p>	<p>Beer: Consider a more affordable way to unwind at the end of the day. A walk or jog is healthier and free.</p> <p>Designer Bottled Water: Take a bottle of tap water. Besides being just as safe, it's also healthier for our environment because we use less plastic.</p> <p>Vending Machine: Purchase in bulk and take in reusable containers. Cut back.</p> <p>Cigarettes: Is now the right time to quit? Consider at least cutting back.</p>
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The “Know What You Need” Prioritizer™

One of the main financial challenges of households living paycheck to paycheck is differentiating between needs and wants. It may sound simple, but without actually writing down your true needs and prioritizing your wants, channeling our money to what is most important to us can be a murky proposition. If we wait until we’re in the store aisle to decide what we want and what we need, we will inevitably allow the marketing and advertising gurus much more influence over our choices than we ought to.

Complete the following Needs versus Wants Prioritizer™ by filling in any physical survival needs you have that can be satisfied by spending money, along with the amount required each month. Your needs are Priority 1. Then, add several of your wants that also require you to spend money, assigning each a priority. Priority 2 is very important (life would be uncomfortable without it) and Priority 5 means the want is trivial and would hardly be missed.

Description of Your Needs	Priority	Monthly Cost
Shelter/Housing	1	
Food/Groceries (do not include dining out)	1	
Required Clothing (do not include fashion)	1	
Medical Procedures or Rx Required for Survival	1	
Children’s Needs	1	
Utilities (do not include phone, Internet or TV)		
Emergency Savings	1	
TOTAL NEEDS		

Description of Your Wants	Priority	Monthly Cost
Transportation		
Telephone		
TOTAL WANTS		

Budgeting Myths

<p>1. <i>If I only made MORE MONEY, I wouldn't have to worry about budgeting.</i></p>	<p>◆ Only spending less than I earn, regardless of my income, will stabilize my finances. For too many people, regardless of their current income, getting a raise, receiving gift money, or otherwise acquiring great income leads not to financial stability but simply to increasing their spending to meet or exceed their income.</p>
<p>2. <i>Following a budget inhibits my freedom of choice.</i></p>	<p>◆ Following a budget brings greater control over important choices, like paying my mortgage or rent, having enough food, being able to provide for my family, or covering my transportation costs. To overcome the feeling of being "prohibited" from spending, my budget should have a line for "me money" or "fun money." Throughout the month, I can spend this small amount (whether \$10 or \$100) any way I so choose. This provides me a feeling of freedom while keeping me on track with my budget.</p>
<p>3. <i>You have to be in debt to budget.</i></p>	<p>◆ Budgets are for those seeking financial stability (debt elimination) or financial security (wealth planning and building)</p>
<p>4. <i>If I balance my checkbook, that's as good as budgeting.</i></p>	<p>◆ The checkbook balance cannot forecast the unexpected, such as when my car will need new tires, when I'll end up in the emergency room, or when my child will need braces. Budgeting will allow me to plan ahead, set aside savings for emergencies and large purchases, and still cover the month-to-month necessities of living.</p>
<p>5. <i>I don't have time to budget.</i></p>	<p>◆ I will spend MORE time correcting financial errors than I will in preventing them. Furthermore, if I make a late payment or skip a payment on a credit card or loan, that mark will stay on my credit report for at least 7 years.</p>
<p>6. <i>My present financial situation is a result of circumstances beyond my control.</i></p>	<p>◆ My present financial situation is a result of decisions I have made. Nobody wants me to succeed as much as I do.</p>



Monthly Bills Refrigerator List

On the line that corresponds to its monthly due date below, write the name of the bill/creditor and the amount due. Post this list somewhere that it will be viewed regularly.

Day of the Month	Bills & Payments Due	Amount
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____
11	_____	_____
12	_____	_____
13	_____	_____
14	_____	_____
15	_____	_____
16	_____	_____
17	_____	_____
18	_____	_____
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22	_____	_____
23	_____	_____
24	_____	_____
25	_____	_____
26	_____	_____
27	_____	_____
28	_____	_____
29	_____	_____
30	_____	_____
31	_____	_____

Monthly Spending Plan

List THREE Financial Motivations to Achieve, with Specific Timelines and Plans of Action:	1.	<hr/>										
	2.	<hr/>										
	3.	<hr/>										
Circle Month:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NET INCOME (after Taxes)						BUDGET^b						
Employment – Self												
Employment – Spouse												
Social Security												
State Assistance												
Other												
Other												
TOTAL (enter below)												

EXPENSES	1-5 Priority ^a	BUDGET ^b
SAVINGS & INVESTMENTS		
Emergency Savings – Monthly expenses x 3 (ultimately x 6)	1	
IRA		
401k		
Other		
HOUSING		
Mortgage/Rent/Taxes	1	
Homeowner Association Dues		
Maintenance/Furnishings		
Other		
UTILITIES		
Electric		
Gas		
Phone/Cell Phone ^c		
Water/Sewer/Trash		
Satellite/Cable ^c		
Other		
FOOD		
Groceries	1	
Other		
TRANSPORTATION		
Monthly Payment		
Gasoline/Fuel		
Maintenance		
Parking		
Public Transportation/Taxi		
Other		

EXPENSES	1-5 Priority ^a	BUDGET ^b
MEDICAL/DENTAL		
Doctor visits	1	
Prescriptions	1	
Other		
INSURANCE		
Automobile		
Life		
Health: Medical, Dental, Vision...		
Home		
Other (Disability, Long Term Care)		
CHILD CARE		
Child Support Payment	1	
Day Care		
Babysitting		
School Activities		
Allowance		
Other		
ENTERTAINMENT		
Club Dues ^c		
Dining Out ^c		
Hobbies		
Travel ^c		
Movies/Theatre/Videos ^c		
Other		
GIVING		
Donations ^c		
Gifts & Presents ^c		
Tithing		
Other		
MONTHLY DEBT PAYMENTS		
Credit Card #1		
Credit Card #2		
Student Loan		
Personal Loan		
Other		
MISCELLANEOUS		
Clothing – Necessary	1	
Clothing – Fashion ^c		
Postage ^c		
Cosmetics/Grooming		
Tobacco Products ^c		
Coffee House Coffee ^c		
Pet Food/Toys/Veterinarian		
Other		

EXPENSES	1-5 Priority ^a	BUDGET ^b
EXPENSES TOTAL		
INCOME TOTAL		
SUBTRACT EXPENSES FROM INCOME (MONTHLY BALANCE^d)		

- Prioritize expenses from 1 to 5, where 1 = "A Need," 2 = "A Very Important Want," 3 = "Important," 4 = "Can Probably Do Without It This Month," and 5 = "Trivial" or "Can Definitely Do Without It This Month"
- Enter amounts in this column at the beginning of the month. It is a projected (or expected) amount.
- When money is tight, we suggest that you limit or eliminate these expenses.
- If your Monthly Balance is positive, consider applying the amount toward your Emergency Savings Account, any outstanding non-mortgage debt you may have, or your investments (in that order). If the figure is negative, review your budget and minimize or eliminate expenses with lower priorities first. Besides controlling expenses, also look for ways to increase your income.

Suggested Monthly Budget and Expense Ranges

MONTHLY NET HOUSEHOLD INCOME	\$500	\$1,000	\$2,000	\$3,500	\$5,000
SAVINGS & INVESTMENTS: 10 – 15% Savings, IRA, 401k, Mutual funds, Bonds, etc.	\$50* \$75*	\$100 \$150	\$200 \$300	\$350 \$525	\$500 \$750
HOUSING: 25 – 30% Mortgage, Rent, Repairs, Taxes	\$125** \$150**	\$250 \$300	\$500 \$600	\$875 \$1,050	\$1,250 \$1,500
GROCERIES: 8 – 12% Goal is \$75-\$125 per person per month-Dining out is Entertainment	\$40** \$60**	\$80 \$120	\$160 \$240	\$280 \$420	\$400 \$600
UTILITIES: 9 – 11% Gas, Electricity, Water, Sewer, Trash, Phones, Pager, etc.	\$45 \$55	\$90 \$110	\$180 \$220	\$315 \$385	\$450 \$550
TRANSPORTATION: 12 – 20% Payments, Fuel, Maintenance, Parking, Public Transportation	\$60 \$100	\$120 \$200	\$240 \$400	\$420 \$700	\$600 \$900 [†]
INSURANCE: 5 – 8% Auto, Life, Health, Home	\$25 \$40	\$50 \$80	\$100 \$160	\$175 \$280	\$250 \$400
CHILDCARE: 0 – 15% Daycare, Babysitting, School programs, etc.	\$0 \$75**	\$0 \$150**	\$0 \$300**	\$0 \$525	\$0 \$750
MEDICAL: 5 – 10% Physician and Dental Visits, Prescriptions	\$25** \$50**	\$50 \$100	\$100 \$200	\$175 \$350	\$250 \$500
GIVING: 3 – 13% Donations, Gifts, Presents, Tithing	\$15 \$65	\$30 \$130	\$60 \$260	\$105 \$455	\$150 \$650
ENTERTAINMENT: 1 – 2% Satellite/Cable, Club dues, Dining Out, Hobbies, Travel, etc.	\$5 \$10	\$10 \$20	\$20 \$40	\$35 \$70	\$50 \$100
MONTHLY DEBT PAYMENTS: 4 – 6% Credit cards, Student loans, Personal loans, etc.	\$20 \$30	\$40 \$60	\$80 \$120	\$140 \$210	\$200 \$300
MISCELLANEOUS: 4 – 7% Clothing, Postage, Cosmetics/Grooming, Tobacco, Pets, etc.	\$20 \$35	\$40 \$70	\$80 \$140	\$140 \$245	\$200 \$350
TOTALS IF LIVING AT LOW RANGES: 86%	\$430	\$860	\$1,720	\$3,010	\$4,300
TOTALS IF LIVING AT HIGH RANGES: 149%	\$745	\$1,490	\$2,980	\$5,215	\$7,450

These ranges are only suggestions. They are meant as guidelines and not as rules. Your own budget will vary depending upon your geographic location, the number of dependents in your household, past debt history, and other relevant issues.

*Some assistance programs require that savings, investments and other assets be taken into consideration when determining eligibility for program participation. In such cases, some individuals may want to consider using these funds for expenses such as paying off debt, paying life insurance premiums, or paying for continuing education.

**These categories have minimum subsistence costs. It is recognized that, depending upon income, some families and individuals may require assistance from family, the state, or charitable organizations to supplement the suggested budgeted amounts.

†For higher household incomes, there are reasonable caps to certain expenses.

Weekly Menu Planner

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY
Breakfast ¹				
Lunch ²				
Dinner ³				
Other ⁴				

	THURSDAY	FRIDAY	SATURDAY
Breakfast ¹			
Lunch ²			
Dinner ³			
Other ⁴			



Notes & Tips

We recognize that individual and family eating habits and allergies vary greatly. The following are suggestions only.

1. Keep in mind that cold/prepared/boxed cereals tend to be among the most expensive breakfasts you can have. Consider breakfasts such as oatmeal, cream of wheat or grits (from the boxes or canisters – not the pre-flavored packets) as affordable alternatives.
2. While the average lunch at a fast food restaurant costs between \$5 and \$7, a brown bag lunch can cost as little as \$1, saving \$100 per month per person over eating out.
3. Remember to work “Leftovers Night” into your menu, but it is often suggested that you do not have leftovers the very next night after you had them the first time (for variety’s sake).
4. Any prepackaged snacks or treats will generally be more expensive than home made treats or raw fruits and vegetables.

Shopping List

STORE AISLE	ITEMS TO BUY
Baking	
Beverages	
Bulk	
Canned Goods	
Dairy	
Dry Goods	
Frozen Foods	
Household: Cleaning, Toiletries, etc.	
Meats	
Produce	
Other	



2. Resources

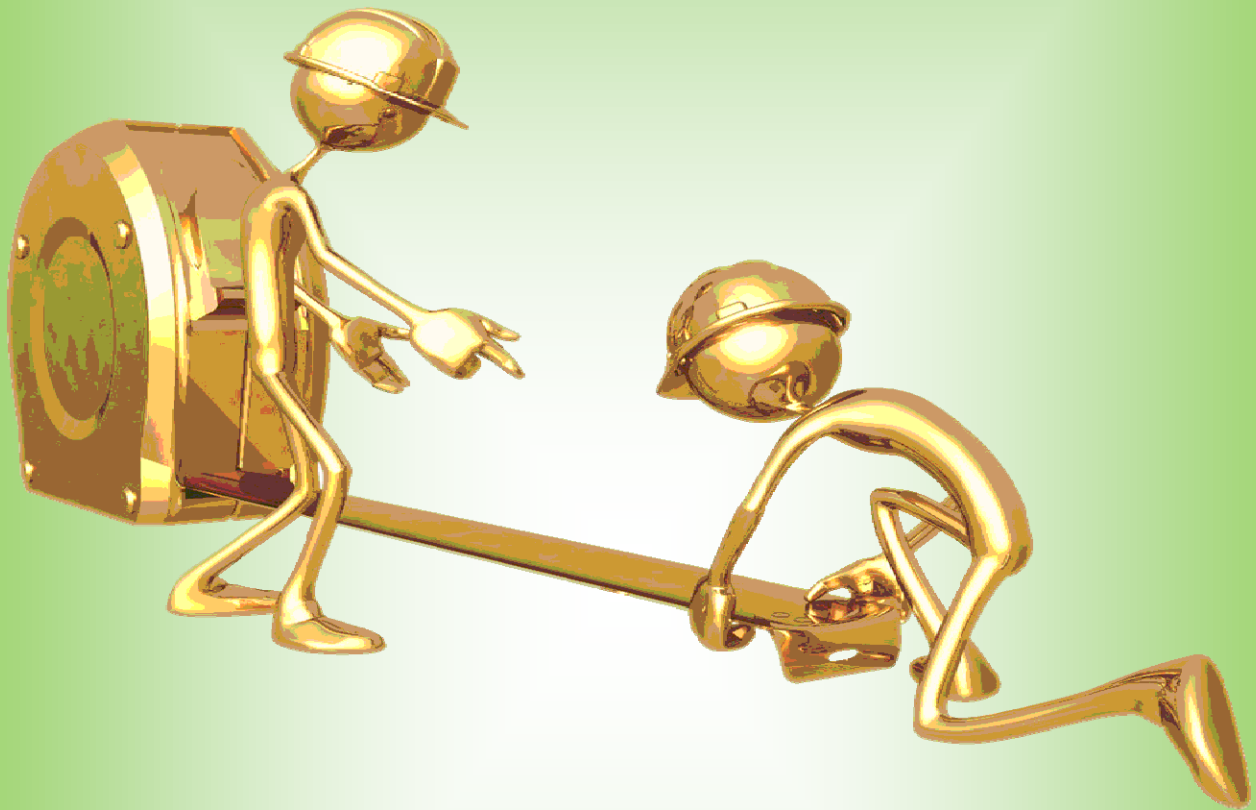
Internet Resources

- ABA Education Foundation: www.aba.com/ABAEF
- American Savings Education Council: www.ChooseToSave.org
- Bankrate: www.BankRate.com
- Bankruptcy Basics (US Bankruptcy Court): www.uscourts.gov/bankruptcycourts/bankruptcybasics.html
- Better Business Bureau (Scam & Fraud under “Alerts”): www.bbb.org
- Choice Nerd: www.ChoiceNerd.com
- Citi Financial Education: <http://curriculum.FinancialEducation.citigroup.com>
- CNN Money: <http://money.cnn.com/pf>
- Community Action Partnership: www.ManagingMyMoney.com
- Consumer Jungle: www.ConsumerJungle.org
- Credit Abuse Resistance Education (US Bankruptcy Courts): www.careprogram.us
- Credit Bureaus
 - Equifax: www.Equifax.com
 - Experian: www.Experian.com
 - TransUnion: www.TransUnion.com
- Credit Union Personal Finance Tips: www.creditunion.coop
- Debt Reduction Services:
 - Blog: www.debtreductionservices.com/blog
 - Facebook: www.facebook.com/DebtReductionServices
 - Twitter: http://twitter.com/debt_helpers
 - YouTube: www.youtube.com/debtredutionvideos
 - Web: www.DebtReductionServices.org
 - Tel: (877) 688-3328
- Gamblers Anonymous: www.gamblersanonymous.org
- Emergency Financial First Aid Kit: www.OperationHope.org/effak
- Federal Reserve Education: www.FederalReserveEducation.org
- Federal Trade Commission: www.ftc.gov/bcp/menus/consumer/credit.shtm
- Financial Football: www.WhatsMyScore.org/games/ff
- Financial Fundamentals (JP Morgan Chase): <http://bit.ly/ayo9XR>
- Financial Life Planning Center (Key Bank): www.key.com/html/savings-resources-planning.html
- Financial Soccer: www.financialsoccer.com
- Financial Tools Center (Bank of America): <http://learn.bankofamerica.com>
- Freddie Mac: www.freddiemac.com/corporate/buyown/english/preparing/right_for_you
- Free Annual Credit Report: www.AnnualCreditReport.com
 - Tel: (877) 322-8228
- Hands On Banking/El future en tus manos: www.HandsOnBanking.org

Internet Resources

- HIP Pocket Change: www.USMint.gov/kids
- HUD's Hope for Homeowners: www.hud.gov/hopeforhomeowners
- Investing for Students: www.InvestingForStudents.org
- Jump\$tart Coalition: www.JumpStart.org
- Kiplinger: www.kiplinger.com/money
- Liz Pulliam Weston: <http://asklizweston.com>
- Military Financial Education: www.pioneerservices.com/PioneerServices/finEducation.do
- Mind Your Money: <http://bit.ly/c1pztl>
- Money Savvy Generation: www.msgen.com
- Money Smart (FDIC): www.fdic.gov/consumers/consumer/moneysmart
- Money\$mart for Girl Scouts: www.girlscouts.org/moneysmarts
- MoneyTrack PBS: www.MoneyTrack.org
- Motley Fool: Educate, Amuse, Enrich[®]: www.fool.com
- MSN Money Central: <http://moneycentral.msn.com/personal-finance>
- Council for Economic Education: www.councilforeconed.org
- National Endowment for Financial Education: www.nefe.org
- National Financial Education Center
 - Blog: day2daymoney.wordpress.com
 - Facebook: www.facebook.com/MoneyDay2Day
 - Twitter: twitter.com/MoneyDay2Day
 - Web: www.NationalFinancialEducationCenter.org
 - Tel: (877) 688-3328
- Native Financial Education Coalition: www.nfec.info
- Northwest Education Loan Association (College & Loans): www.nela.net
- Oprah's Debt Diet: www.oprah.com/subtopic/money/debt
- Planet Orange: www.orangekids.com
- Practical Money Skills for Life: www.PracticalMoneySkills.com
- Social Security Retirement Benefits Estimator: www.socialsecurity.gov/estimator
- The Mint: www.TheMint.org
- US Financial Literacy and Education Commission: <http://MyMoney.gov>
- What's My Score: www.WhatsMyScore.org
- Yahoo! Finance: <http://finance.yahoo.com/personal-finance>
- Your Financial Organizer: www.tiaa-cref.org/pubs/html/financial_organizer

Weekly Classes at Each Branch Office
and
Webinars Available Online 24/7
www.NationalFinancialEducationCenter.org



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