



Budget Workbook

This budget workbook was compiled to help you find a simple and practical guide for managing your money. Money management abilities can have a great effect on the degree of satisfaction we gain from life. No one is born with the ability to manage money effectively. It is a skill that can be learned and developed with practice.

The overall key to money management is that a plan is required to think things through *before* spending. On-the-spot purchases often cause money to disappear quickly. A financial plan can help you:

- \$ Live within your income
- \$ Realize personal more effectively
- \$ Develop economic competence and confidence goals
- \$ Maintain a good credit history
- \$ Spend wisely

A good plan is a guide – not a detailed accounting of every penny. A plan is based on each individual. It should be based upon your ideals and principles, and the way you want to live. Our personal goals grow out of values and dictate our financial goals. For example, one person may live in modest circumstances in order to pay for their education, while another may consider the extra cost for amenities, such as a dishwasher or washer/dryer, an expense well worth the savings in time and energy. In other words, one person's extravagance may be another's necessity.

Once you have identified your goals, financial planning and saving is much easier. Try to put the most important goals first, since not all your goals will be reachable at once. You should include both short and long term planning.

If you have a small income and/or large debts, you may be unable to do more than take care of immediate necessities. You may find it unrealistic to even think of long-term goals.

Achieve your Financial Goals by Planning:

Short-term Goals	Achieved By	Estimated Cost

Long-term Goals	Achieved By	Estimated Cost

Check Your Financial Situation:

Before you can budget wisely, you need to know how much money you will have during the planning period. Be realistic and think on facts of life that could happen. Plan your budget for twelve months. For most students, budget planning may be easier to do on a semester basis. If your income fluctuates from one month to the next, you may want to set up a three-month trial plan. After you see how it works, you can expand it to cover a longer period.

You also need to estimate your expenses. If you are new to budgeting, you might want to keep track of your expenses for a couple of months to find out where your money goes. This trial period will allow you to assess whether to continue your present spending patterns or to make changes. Be realistic in revising the estimated amounts for expenses. Resolve to cut out shopping sprees, bargains you do not need, and overuse of credit. Plan your large expenses so that they are spaced over several months. Use the forms on the following page to figure your total income and total expenses.

The best way to have money available for major expenses and future goals is to set aside money regularly before you spend your income. By earmarking your money and planning your expenditures, every pay period will give you greater flexibility in managing your money. When you start budgeting, you will want to set aside a designated amount to cover any emergencies that may arise. Once you have decided on the amount needed, enter it on the planning sheet on the next page. Keeping your savings separate from your other funds may help you from spending impulsively. If possible, put them in a savings account or in government bonds where they will earn interest.

Remember your future goals: you have already assigned a dollar cost to each one of your goals; and the date you hope to achieve them. Translate the cost into an amount that must be saved each month, and enter it on the worksheet.

Identify Your Spending Habits

In developing your spending strategy, it may help to identify your spending habits. Place a check beside the statements that apply to you.

Yes	NO	Q's and Facts about your expending Personality
		I often prepare a list but find myself adding items at the store.
		I depend on shopping to lift my spirits or fulfill an emotional need.
		Salespeople often sway me.
		I am extravagant on gift expenditures.
		I frequently run out of money before the end of the month.
		I read labels carefully before I make a purchase.
		I use the phone directory and advertising to comparative shop.
		I always figure the cost of delivery, installation, etc., into item price when comparing.
		I always send the enclosed warranty to the manufacturer.
		I keep written record of all my expenditures.
		I can be entertained without spending money.

If your score is:

5 or more YES
1-2 Yes and some NO
0 Yes and lots of NO'

Responsible shopper
Reassess your shopping habits
Careless shopper

Are you worried by your score act now and start your Budget Spreadsheet \$\$\$\$\$\$.....!!

Budget Spreadsheet

INCOME

Date or Month:

Take-home pay			
Loans/Grants/Scholarships			
Savings/Checking			
Parental Contribution			
Interest/Dividends			
Social Services			
Other			
TOTAL INCOME			
EXPENSES			
Rent			
Tuition			
Books/supplies			
Utilities			
Groceries			
Entertainment			
Car payment			
Insurance (car, rent)			
Gasoline			
Loans			
Credit cards			
Clothing			
Cable TV			
Household supplies			
Laundry			
Miscellaneous			
TOTAL EXPENSES			
TOTAL INCOME			
Minus TOTAL EXPENSES			
REMAINING BALANCE			

Budgeting and adjusting your needs to your spending

A budget is something you keep working and reworking until it “fits.” Do not expect to have a perfect budget the first time you set one up. With each budget plan, you can expect improvement. As circumstances change, you will need to readjust your budget around your new goals, needs, and wants.

Things you what to think about when you set your budget:

- Did you provide for all your needs?
- Did you have trouble sticking to your plan?
- Did you need to be better disciplined and manage next time?

Budgeting is not a one-time exercise. Keep in mind that the tips, charts, and worksheet you have used here will need to be reworked. Your goals, both long-term and immediate, need to be reassessed on a regular basis to help budget more accurately and attain your goals.

To prepare your budget, first carefully evaluate your expenditures, including your present living needs. To establish a list of priorities, rank the items below in importance from 1 (most important) to 10 (least important) for the present and next year.

- | | | |
|--|---|--|
| <input type="checkbox"/> Clothing | <input type="checkbox"/> gifts | <input type="checkbox"/> savings |
| <input type="checkbox"/> Contributions | <input type="checkbox"/> health care | <input type="checkbox"/> job |
| <input type="checkbox"/> Education | <input type="checkbox"/> housing | <input type="checkbox"/> summer/school |
| <input type="checkbox"/> Graduation | <input type="checkbox"/> vacation | |
| <input type="checkbox"/> Entertainment | <input type="checkbox"/> transportation | |
| <input type="checkbox"/> Food | <input type="checkbox"/> loan payments | |
| <input type="checkbox"/> Other | | |

Now compare those items as ranked with the amount you are spending on them. Are you spending a disproportionately large amount of your income on an item that is not very important to you?

If your income and expenses do not balance and show a negative balance, you have some choices. Here you'll find some suggestions about how to improve your budget:

1. **INCREASE YOUR INCOME:** Obtain a part-time job, financial aid, or a loan.
2. **DECREASE YOUR EXPENSES:** You can try to cut fixed expenses by seeking less expensive housing and/or sharing housing with others. Depending on your priorities, you may find it easier to cut variable expenses rather than fixed expenses. Cuts can often be made to entertainment, credit-card purchases, or even food.
3. **CHANGE SCHEDULE FOR PAYMENT OF BILLS:** There may be a better way to divide payments or spread them over the coming months. Check with the company to see if you can adjust your payment schedule.
4. **TAKE LONGER TO REPAY OBLIGATIONS:** If you cannot pay your bills on schedule, contact your creditors immediately to see what arrangements can be made.
5. **WATCH YOUR DAILY SPENDING:** Carry only as much money as you need each day. Extra cash in your pocket is often a temptation to spend.

Here are some suggestions to help change some of the “careless shoppers” habits and help you “stretch” your dollars!

- Shop at more than one store and increase the number of choices available to you (find the best deal).
- Be aware that some sales are not always bargains. Determine what you really need.
- Be aware of budget leaks for built-in “features” you do not really need.
- Make purchases “in season” or sale times; extend your buying power.
- Consider the difference between cash and credit prices.
- When purchasing items, remember the life expectancy of the item according to its use.
- Be sure to save, register, and utilize, your warranties.



RESOURCES

Financial advice is available through the following resources:

Financial Aid Office
103 Administrative Annex
Colorado State University
970.491.6231

Consumer Credit Counseling Service
126 West Harvard, Suite 5
Fort Collins, Colorado 80525
970.229.0695 x305

Off-Campus Student Services

Resources for Adult Learners

970.491.2248



Reference: Money Management: Your Financial Plan, Household International, Illinois, 1979

