

Elder\$mart\$

**LIFESTYLE SKILLS /
BUDGETING BASICS**

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KNOW YOUR MONEY, PROTECT YOURSELF

Budgeting. This is often seen as a scary word and a very complicated practice. Yet budgeting is a great tool for ensuring financial stability and protecting yourself from financial scams. The better you understand where your money goes and where it should be spent, the more you can protect yourself from financial predators.

What is a budget?

A budget helps you decide how much money to spend on one item or another. A successful budget is realistic and customized to your needs and wants.

43% of Americans say they spend more money than they earn.

What a budget is not.

A budget is not a financial straightjacket. It is not meant to keep you from enjoying life. It can help you make better financial decisions for the short term and long term.

Do I need a budget?

Ask yourself: Am I meeting all of my financial goals? If you have at least one financial goal you aren't meeting, then it may be time for a budget.

What are financial goals?

Financial goals are different for everyone, but here are some common ones:

- Being able to pay all your bills each month and having a little left over.
- Going on your dream vacation.
- Getting rid of credit card debt.
- Helping pay for your grandchildren's college education.

MONTHLY INCOME & EXPENSES WORKSHEET

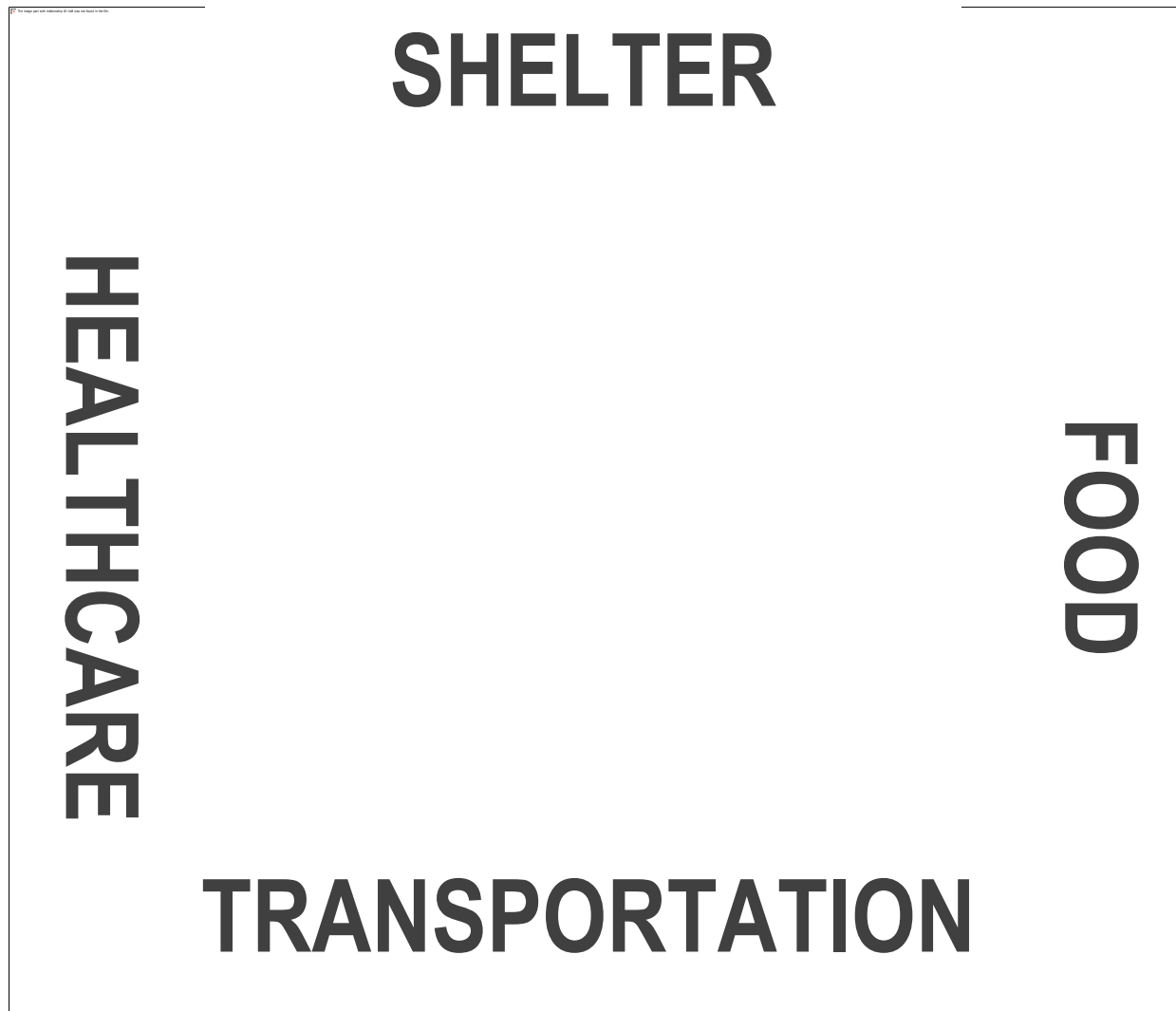
My Income		My Expenses	
WAGES	\$	RENT/MORTGAGE	\$
SOCIAL SECURITY	\$	PROPERTY TAX /INSURANCE	\$
PENSION/RETIREMENT SAVINGS	\$	SEWAGE/TRASH COLLECTION	\$
VETERANS' BENEFITS	\$	ELECTRICITY	\$
INTEREST/DIVIDENDS	\$	CABLE/INTERNET	\$
CHILD SUPPORT/ALIMONY	\$	WATER	\$
SSI (social security income)	\$	GAS/OIL	\$
SSDI (social security disability insurance)	\$	TELEPHONE/MOBILE PHONE	\$
DISABILITY BENEFITS	\$	HEALTH INSURANCE PREMIUMS	\$
TANF (temporary assistance for needy families)	\$	HEALTH INSURANCE CO-PAYS	\$
UNEMPLOYMENT COMPENSATION	\$	PRESCRIPTION(S)	\$
ESTATES/TRUST	\$	LIFE INSURANCE(S)	\$
OTHER:	\$	CAR PAYMENT(S)	\$
		CAR INSURANCE	\$
		TRANSPORTATION/GAS	\$
		CAR MAINTENANCE	\$
		FOOD-GROCERIES	\$
		FOOD-EATING OUT	\$
		CREDIT CARD	\$
		PERSONAL	\$
		OTHER	\$
TOTAL INCOME	\$	TOTAL EXPENSES	\$

RECOMMENDED PERCENTAGS

<i>Item</i>	<i>Actual</i>	<i>Recommended</i>
MEDICAL/HEALTH	%	10–15%
SAVING	%	5–10%
HOUSING	%	25–35%
UTILITIES	%	5–10%
FOOD	%	5–15%
TRANSPORTATION	%	10–15%
CLOTHING	%	2–7%
CHARITABLE GIFTS	%	5–10%
PERSONAL	%	5–10%
RECREATION	%	5–10%
DEBTS	%	5–10%

Compiled from several sources, this table shows guidelines for suggested spending percentages. However, these are only recommended percentages and can change dramatically based on your actual income. The lower the income, the higher the necessities percentages will be.

“FOUR WALLS” BUDGETING



Pay necessities first.

1. Food
2. Shelter
3. Healthcare
4. Transportation