

APRIL TOOLKIT

#TIDYTUESDAY

REFRESH YOUR SPACE | REJUVENATE YOUR MIND | RESTORE YOUR FINANCES

WEEK TWO:

CREATE A MONTHLY BUDGET

This week's **#TIDYTUESDAY** is about taking steps to tidy up your financial life. Have you gotten into the routine of spending money without tracking expenses, and then wonder where your money went at the end of the month? The solution to this problem is creating a monthly budget for your household and spending accordingly.

A monthly budget can be viewed as an agreement between the members of your household on how income will be spent. Everyone must agree and adhere to the budget, or it doesn't work.

HERE ARE FOUR EASY STEPS TO CREATING A MONTHLY BUDGET:

ONE: Write down your total income. This is your total take-home pay (after taxes) for both you and, if you're married, your spouse. Don't forget to include everything: full-time jobs, second jobs, freelance pay, Social Security checks and any other sources of income.

TWO: List all of your expenses. Think about your regular bills (mortgage, electricity, etc.) and your irregular bills (quarterly payments like insurance or HOA dues) that are due the upcoming month. After that, total all other costs, like food, gas, entertainment, etc. Every dollar should be accounted for. If there is extra left over, designate it towards paying off debt early or into savings.

THREE: Subtract income from expenses to equal zero. This is called a zero-based budget, meaning your income minus your expenses should equal zero. If you're over or under, check your math or simply return to the previous step and try again.

FOUR: Track your expenses throughout the month. Once you start the budget, you will still need to stay on top of your expenses. Use a tracking system that you are comfortable with, like a budgeting form or an app.

Once you get into the habit of regularly creating and sticking to a monthly budget, it will feel like you gave yourself a raise! When you're more aware of your spending behavior, you can change your financial habits.

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SHARE YOUR EXPERIENCES ALONG THE WAY, PLEASE POST ON FACEBOOK, TWITTER OR INSTAGRAM USING #TIDYTUESDAY

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