

## **Benefits of Budgeting**

Following a budget...

1. Helps you to use your money on the things that really matter to you.
2. Lets you control your money instead of your money controlling you.
3. Will tell you if you're living within your means.
4. Can help you meet your savings goals.
5. Helps your entire family focus on common goals.
6. Helps you prepare for emergencies.
7. Helps you manage variable expenses.
8. Reveals areas where you're spending too much.
9. Can keep you out of debt or help you get out of debt.
10. Helps you sleep better at night.

## **How to Get Started**

1. Keep a spending journal for a month and record every penny you spend.
2. Gather your bills, account statements, ATM and retail store receipts.
3. Create your budget, include all expenditures.
4. Live within your budget by:
  - Giving yourself a cash allowance. When it's gone, stop spending.
  - Use electronic banking for bills, savings.

## **Suggested Budget Percentages**

Savings/investing **2 - 10%**

Housing (mortgage/rent, insurance, taxes) **26 - 36%**

Food (groceries, dining out, workday meals) **12 - 30%**

Utilities (gas, electricity, water, cell, landline) **4 - 8%**

Transportation (car loan, gas, public transit) **6 - 15%**

Medical (dental, prescriptions, health ins.) **4 - 8%**

Child care (if applicable) **6 - 16%**

Debt Obligations **5 - 10%**

Clothing **4 - 6%**

Recreation/entertainment **2 - 8%**

Note: These percentages are just guidelines. Depending on your own budget and where you live you may spend more or less in certain categories.