

Budgeting

Courtesy of American Financial Solutions

Budgeting is the only practical way to consciously control your spending and to make sure your money is being used the way you really want it to be used.



There are three basic elements to every household budget; Total Income, Total Expenses, and Cash Surplus (or deficit).

If your result is negative then you must either increase your income or decrease your expenses.

A typical budget includes the minimum following expense categories;

1. **Housing Cost;** Rent, Mortgage, Home Repairs, Property Tax, etc.
2. **Utilities;** Water, Sewer, Garbage, Electricity, Phone, Oil/Gas
3. **Food Cost;** Groceries
4. **Transportation;** Auto Payment, Auto Maintenance and Repairs, Parking, Gas, Tolls, Bus Fare, etc.
5. **Health Expenses;** Co-pays, Prescriptions, Office Visits, Lab Work, Over-the-Counter items, Vitamins, Glasses, etc.
6. **Personal Items;** Hair care, Dry-cleaning
7. **Entertainment;** Cable/Satellite TV, Dining Out, Movies, etc.
8. **Financial;** Credit Cards, Store Cards, Personal Loans, Secured Loans, Medical Bills, etc.

Now for the moment of truth – using the [Budget Worksheet Instructions](#), complete the interactive [Budget Worksheet](#).