National Debt Management, Inc.

*A Non-Profit Counseling Agency*

# Budgeting Instructions

## Creating a Budget

Creating a budget helps you manage your spending on a daily basis. This makes you aware of every dollar that you spend. This awareness eliminates unnecessary spending. By keeping track of your spending you could possibly save hundreds of dollars.

## How to Create a Budget

1. Identify your income
2. Identify your expenses
3. Compare both your income and your expenses
4. Prioritize your spending- your goal is to ensure that your income exceeds your expenses

## How to Identify Your Expenses

The most important thing to remember when identifying your expenses is to identify all of your expenses. Further you must remember to include expenses that do not occur on a monthly basis for example, health insurance or car insurance, which may be periodic expense. In this scenario you must determine the average monthly cost. When identifying your expenses you are trying to determine exactly where your money goes each month. This includes not only monthly bills but all spending that happens on a daily basis, such as lunch or a coffee. It may be helpful if you carry a small notebook and write down your everyday spending. You must remember to include any and all spending for example spending on, subscriptions, entertainment, memberships, gas etc.

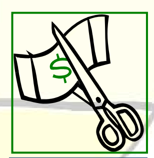
## How to Identify Your Income

Identifying your income is an important step in the budgeting process. The income you list to create a budget should be as close as possible to your actual income. Doing this will ensure the accuracy of your personal budget analysis.

## How to Compare

Analyze your income and your expenses. If after your analyze your income and your expenses you realize that your expenses exceed your income, you are now aware that adjustments need to be made to your monthly spending.

## How to Prioritize Your Spending



If your expenses exceed your income you should prioritize your monthly spending. Begin by eliminating your unnecessary spending or your luxurious spending. You should only spend on items that you actually need. Further, you should create a spending plan. This will help you to limit yourself to spending within your budget. Some ideas for cutting expenses are as follows: paying for items with cash not credit cards, use coupons, eat at home, take a lunch to work, purchase items that are on sale, car pool, purchase a used car, buy items from garage sales or flee markets.

**CLICK HERE TO BEGIN YOUR SELF EVALUATION!**

**NEED HELP CALL NOW (248) 200-2106**

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