

Creating a Budget That Works for You



A budget is a financial plan that helps you allocate your income to cover expenses, savings, and financial goals. Whether your income is steady or varies, budgeting can provide financial stability and reduce stress.

Steps to Budgeting Money

Step 1: Determine Your After-Tax Income

- Your after-tax income (net income) is the amount left after federal and state taxes.
- If deductions for 401(k) contributions, health insurance, or other benefits are taken pre-tax, add them back to understand your total income.
- For additional income sources, subtract taxes and business expenses for an accurate income figure.

Step 2: Choose a Budgeting System

There are different budgeting methods to fit different lifestyles, such as:

- [50/30/20 Budget](#): 50% for needs, 30% for wants, 20% for savings and debt repayment.
- [Zero-Based Budget](#): Assigns every dollar a purpose.
- [Envelope System](#): Uses cash for different spending categories.

Step 3: Track Your Progress

- Use budget-tracking apps or spreadsheets to monitor spending.
- Identify overspending areas and adjust your budget accordingly.

Step 4: Automate Your Savings

- Set up automatic transfers to savings, emergency funds, and retirement accounts.



- If your income is irregular, set reminders for manual transfers.

Step 5: Review and Adjust Your Budget Regularly

- Your financial situation changes over time; revisit your budget quarterly.
- Modify your budgeting method if necessary to better suit your needs.

Prioritize Your Finances

If you can pay monthly bills but lack significant extra funds, consider these priorities:

1. Build an Emergency Fund

- Start with \$500 and gradually aim for 3-6 months of essential living expenses.
- Helps avoid debt in unexpected situations.

2. Maximize Employer 401(k) Match
 - Contribute enough to receive your employer's full matching contribution.
 - Doubles your investment instantly.
3. Save for Retirement
 - Aim to save 10-15% of your income.
 - If no 401(k) is available, consider an IRA (Roth or Traditional).
4. Tackle High-Interest Debt
 - Prioritize paying off credit cards, payday loans, and high-interest personal loans.
 - If debt is overwhelming, consider debt relief programs or professional financial advice.
5. Continue Saving and Investing
 - Grow savings with high-yield accounts.
 - Organize savings into categories like emergencies, vacations, or home repairs.

Tools for Budgeting

Consider using apps or spreadsheets to manage finances:

- Microsoft Excel & Google Sheets Templates: Pre-made templates help organize monthly and annual budgets.
- NerdWallet Budget Spreadsheet: Aligns with the 50/30/20 framework.
- FTC Budget Worksheet: A beginner-friendly PDF for manual budgeting.



Making Your Budget Stick

1. **Don't Deprive Yourself:** Allow small indulgences to maintain motivation.
2. **Track Spending Regularly:** Use digital tools or a simple notebook.
3. **Categorize Expenses:** Separate essential and discretionary expenses.
4. **Identify Cost-Saving Opportunities:** Reduce non-essential spending.
5. **Set Financial Goals:** Short-term and long-term objectives provide motivation.
6. **Adjust as Needed:** Life changes, so should your budget.
7. **Seek Professional Help if Needed:** A financial advisor can provide personalized guidance.

Final Thoughts

Budgeting isn't about restricting your life—it's about gaining control over your finances. Whether you're saving for retirement, paying off debt, or just looking for better financial habits, a well-managed budget will set you up for long-term success.

Resources

- Expanse Wealth Management
 - [Calculators](#)
 - [Articles](#)
 - [Videos](#)
- [Federal Trade Commission](#)
- [NerdWallet Template](#)
- [MyMoney.gov](#)
- [Consumer Finance](#)
- [GreenPath](#)
- [Money Fit Budget Calculators](#)

Sources: Fidelity, Guardian, NerdWallet

Budgeting Worksheet

Income

Source	Amount	Notes
Income 1		Add back pre-tax deductions like 401 (k), health insurance, HRA, FSA, etc. For example, if you have \$200 deducted from your paycheck to go to your 401 (k) and \$300 deducted for your health insurance benefit - you would add that \$500 back into your total income amount since these items will be noted in your expenses list.
Income 2		Add back pre-tax deductions like 401 (k), health insurance, HRA, FSA, etc.
Passive Income		Subtract taxes/business expenses if applicable
Side Job		
Investments		
Other		
Total Adjusted Income		

Budgeting Worksheet

Expenses

Category	Budgeted	Actual	Notes
Housing (Rent/mortgage, property taxes, home insurance, maintenance, etc.)			
Utilities (Gas, electric, water, sewer, trash service, phone, internet, etc.)			
Food (Groceries, Eating Out, Food Delivery, etc.)			
Transportation (Car payments, Gas, Insurance, Maintenance, Public Transportation, Parking, etc.)			
Health/Life Insurance			
Debt/Loan Payments (Student loans, credit cards,			
Healthcare (Medical bills, prescriptions, dental care, etc.)			
Childcare			
Entertainment (Subscription services, television service, leisure activities, tickets, hobbies, etc.)			
Travel (Vacation transportation, accommodations, souvenirs, excursions, etc.)			

Budgeting Worksheet

Expenses

Category	Budgeted	Actual	Notes
Personal Care (Haircuts, toiletries, massage, facials, personal care items, etc.)			
Clothing & Apparel			
Pet Care (Food, veterinary care, grooming, meds, etc.)			
Education (Tuition, books, supplies, activities, other school-related expenses)			
Gifts and Donations			
Savings (Retirement accounts, emergency funds, other saving goals)			
Investments			
Taxes (Preparation costs, estimated payments, etc.)			
Professional Services (Legal fees, financial advisors, other professional services)			