

# How do I create a budget?

Instead of wondering every month, "Where did my money go?", take control of your financial life with a simple budget. Use these steps to understand your spending, make needed adjustments, and create a plan to reach your goals



## STEP 1 Track Your Income and Spending

Try keeping a money diary for a month or two. Track all money coming in and going out. Use a notebook, spreadsheet or app like Mint.com. Whatever works for you!

## STEP 2 Analyze Your Expenses

Total up the expenses from each category to see how you are really spending your money. You may be surprised how much the little things add up.

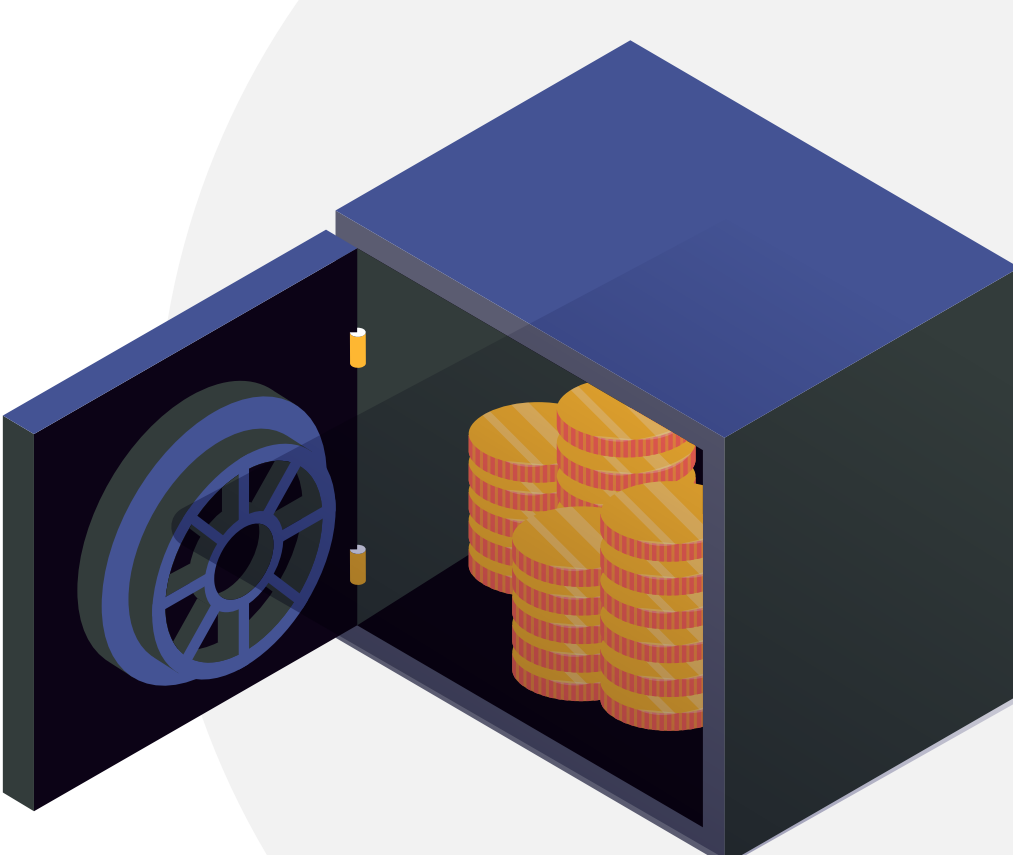
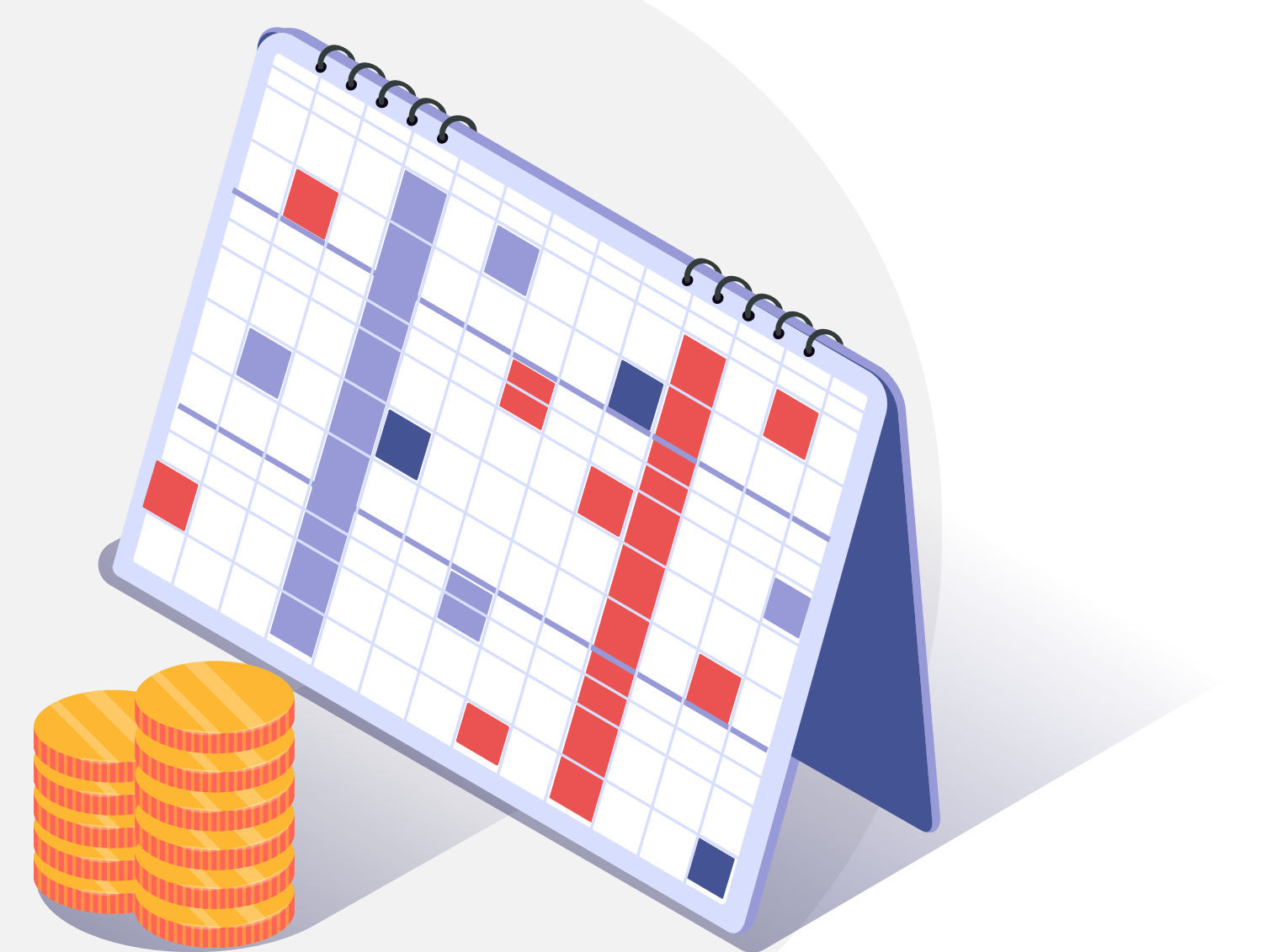


## STEP 3 Focus on your Goals

Saving for a house? Trying to pay off debt? To stay focused on big picture objectives, break them down into monthly savings goals and treat them as expenses. **Pro Tip:** Commit to saving as much as you can for retirement. Try working up to 10% of gross income.

## STEP 4 Cut Costs

Use creative thinking to save money. Can you eat out less often? Sell a car or other items? Move to a less expensive place? Look at each expense to see if it is a "need" or a "want". Be willing to put some wants on hold to reach your goals.



## STEP 5 Expect the Unexpected

In addition to regular monthly expenses, like rent or bills, be sure to plan for one-offs like gifts and car repairs. Estimate the annual amount of these expenses, divide by twelve and put this amount in a separate account each month. This way "unexpected" expenses won't burst your budget!