

Creating a Budget

Instructions, Example and Sample Form

Creating a Budget can help you understand where your money goes and help you decide the bills that are the most important to pay first. It can also help you save money. To learn more about budgets visit www.MassLegalHelp.org and search [What can I do about my bills?](#) and [Which debts do I pay first?](#)

- 1.** Under **INCOME** write all the money or value that comes into your household each month. This includes value from food stamps or if someone pays a bill for you.

Remember

A month has 4.3 weeks in it. If you make \$150 per week, multiply \$150 by 4.3 to find out your monthly income.

$\$150 \times 4.3 = \645 per month

- 2.** Under **EXPENSES** list all of your monthly bills. Include the amount you spend on food or the bills people pay for you if you listed them under income.
 - i. Looking at the list of your expenses should help you figure out which expenses are most important.
 - The most important bills to pay are for housing and food for you and your family. Always pay these bills first.
 - ii. Save a little money each month as an expense. If you have savings, you do not have to worry if there is an emergency
- 3.** To find your balance each month, at the bottom of the page, subtract your expenses from your income. The amount of money left is the only amount you do not have to have to live at your current lifestyle. Use only this money to pay debt or for things you do not have to have, like entertainment, eating out etc. If your balance is negative, look at your expenses and find ways to lower them.

Example Budget

| Income | | Explanation & Notes |
|--|----------------|--|
| Cash-income after taxes and health insurance Gifts | \$1000 | From work paid monthly |
| SNAP Food Stamps income | \$100 | Every month |
| TOTAL INCOME | \$1100 | |
| Fixed Expenses | | |
| Rent | \$350 | |
| Telephone | \$30 | |
| Utilities | \$75 | |
| Transportaion | \$100 | |
| Savings | \$55 | Savings let me not worry about emerdecencies |
| Credit card/loan bill | \$75 | |
| Variable Expenses | | |
| Food | \$225 | Food expense includes the amount from Food Stamps |
| Clothing/personal expenses | \$50 | |
| Household supplies/laundry | \$25 | |
| Medical co-pays | \$15 | |
| Medical Supplies | \$50 | |
| Entertainment | \$50 | |
| TOTAL EXPENSES | \$1100 | |
| INCOME | \$1100 | No money left over each month. I need to spend less on the expenses I can control, or I cannot spend more than the \$50 I budgeted for entertainment each month |
| EXPENSES (minus) | -\$1100 | |
| Remaining Monthly Balance | \$0 | |

Your Monthly Budget

Income

Explanation & Notes

Cash-income
after taxes and health insurance
Gifts

SNAP Food Stamps income

TOTAL INCOME

Fixed Expenses

Rent

Telephone

Utilities

Transportation

Savings

Savings let me not worry about
emergencies

Credit card/loan bill

Variable Expenses

Food

Includes the amount from Food
Stamps

Clothing/personal expenses

Household supplies/laundry

Medical co-pays

Medical Supplies

Entertainment

TOTAL EXPENSES

INCOME

EXPENSES (minus)

-

Remaining Monthly Balance

\$0