



How to Create a Household Budget

Your Budget is a Key Part of Your Plan

Create a
Budget!

A budget is a great tool to help you manage your money, meet your financial goals and save for life's expected and unexpected events. With a budget and a plan in place, you can keep your monthly spending and saving on track. Check out these simple tips to help you create your budget and a plan to help you on the path toward financial success.

- ✓ **Electronic or paper ... you decide.** Find a budget form or example you like. You can find examples online, at many financial websites or in personal finance books. Regardless of what you select, choose something flexible and easy to use.
- ✓ **Write down all sources of income.** Use your net income – the amount of money you have after taxes, insurances and contributions have been deducted. Include any monthly income you receive, such as Social Security income, child support or alimony payments.
- ✓ **Document all spending and expenses for one month.** You will be surprised to find out how much you spend during the month and how small spending can add up fast. With the numbers in black and white, you can approach the monthly budget more realistically and identify key things to adjust each month.
- ✓ **Set financial goals.** Specific financial goals can help you keep on track, determine your priorities and help you decide how to prioritize your expenses. Determine short (next 12 months), mid (next 3-5 years) and long-term goals (5 years or more). Maybe it's paying off debt, building a college fund or planning for retirement.
- ✓ **Prioritize needs versus wants.** Be sure your necessary bills and expenses are covered first, including savings, housing, necessary food, transportation and utilities. Then determine what else you need versus what you want.
- ✓ **Don't forget to save.** Turn your payday into a savings day! Set up an automatic transfer into your savings account so that a portion of your paycheck goes straight toward savings. This way, the money is saved before you have a chance to spend it. Program's like WPCU's EasySaver® Debit Card Roundup Program helps you build your savings with every debit card purchase. This is a great way to turn small change into big savings!
- ✓ **Review frequently.** Once your budget is established, you will need to continue to review it to make sure it is accurate. As your goals are accomplished and your life changes, your budget will change too! So remember to update it monthly and create new goals as necessary.

Wright-Patt Credit Union is here to help! We can help you look household finances squarely in the eye so you can control them and keep more of your hard-earned money in your pocket. Visit WPCU.coop/Education or stop by your local Member Center and talk to a Financial Coach about how to create or fine tune your budget.

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