

# Building a Budget

If you want to save more, spend less and reduce debt, it is important to have a budget. A budget provides a clear picture of how much money you are spending for bills, groceries, gas, childcare, and other expenses. It helps you to plan, so you have more money coming in than going out. Here are three steps to budgeting.



## Step 1: Track Daily Spending

If you want to be in control of your money, it is critical to know where your money goes. Track your spending for one to two months, with a spending diary. (Daily spending worksheet attached).

## Step 2: Determine Income & Expenses

Compare income and expenses to help you balance your budget. (Monthly income and expense worksheet attached).

## Step 3: Find ways to Decrease Spending or Increase Income

Do you have more coming in than going out? If not, look for ways to cut spending. If necessary consider ways to increase income—even if temporarily—to pay off debt. (Reducing expenses attached).

