Presentation Slides

Lesson Three The Art of Budgeting



the budgeting process

- **phase 1:** Assess your personal and financial situation (needs, values, life situation).
- **phase 2:** Set personal and financial goals.
- **phase 3:** Create a budget for fixed and variable expenses based on projected income.
- **phase 4:** Monitor current spending (saving, investing) patterns.
- **phase 5:** Compare your budget to what you have actually spent.
- **phase 6:** Review financial progress and revise budgeted amounts.

goal-setting guidelines

well-written personal and financial goals SHOULD:

■ be realistic

A student working part-time is not likely to be able to afford a new car every couple of years.

be specific

"I want to save \$5,000 for a down payment to buy a house."

■ have a timeframe

"I want to pay off my credit card within the next 18 months."

state the action to be taken

"I want to start an automatic deposit savings account with monthly withdrawals from my checking account."



setting up and maintaining a budget

income	budget	actual	difference
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
total monthly income	\$	\$	

expenses	budget	actual	difference
fixed regular expenses			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Credit card	\$	\$	\$
fixed irregular expenses			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$
transportation			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$
other			
Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition	\$	\$	\$
School expenses	\$	\$	\$
total monthly expenses	\$	\$	\$