

## Sample Incidental Discretionary Expenses Chart

| ITEM                     | COST PER MONTH  | YEARLY COST | MOTIVATION/EMOTION   |
|--------------------------|---|-------------|--|
| Gym                      | \$105   | \$1,260     | Had to get in shape so I signed up. Never go though.   |
| Gifts                    | \$200   | \$2,400     | Christmas presents for family and friends.   |
| Hair cut/color           | \$200<br>(I get this done every two months for \$400, so I put it in here as \$200 per month.)                      | \$2,400     | Am so picky about my having the perfect highlights; key to my look. Could shop around though.        |
| Vacation                 | \$92<br>(I went on one vacation; it cost \$1,100. Divide that by twelve months and you get roughly \$92 per month.) | \$1,100     | I deserve a nice vacation once a year. I work really hard! Could go somewhere less expensive though. |
| Major clothing purchases | \$200   | \$2,400     | New winter coat—\$200<br>New tote—\$200<br>Diamond studs—\$2,000                                     |

Total Yearly Incidentals: \$9,560

|  | CATEGORY             | COULD YOU SPEND LESS? | TIMING—WHEN THIS PURCHASE OCCURS             |
|--|----------------------|-----------------------|--|
|  | Fitness/health       | Yes                   | Monthly                                      |
|  | Gifts                | Yes                   | November and December                        |
|  | Beauty               | Yes                   | Every other month                            |
|  | Entertainment        | Yes                   | June   |
|  | Clothing/Accessories | Yes                   | Coat—October<br>Tote—May<br>Diamonds—January |

## Incidental Discretionary Expenses Chart

| ITEM | COST PER MONTH | YEARLY COST | MOTIVATION/EMOTION |  |
|------|----------------|-------------|--------------------|--|
|      |                |             |                    |  |
|      |                |             |                    |  |
|      |                |             |                    |  |
|      |                |             |                    |  |
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|      |                |             |                    |  |
|      |                |             |                    |  |
|      |                |             |                    |  |
|      |                |             |                    |  |

Total Yearly Incidentals: \$ \_\_\_\_\_

### Monitor Your Necessities

Most of your money probably goes to necessities like rent, bills, and debt payments. Write down how much you spend on these necessities. The blank diary on pages 46–47 is a great way to do this. Also, see the sample diary on pages 40–41. For a list of sample necessities, see pages 44–45.

Once again, you will also be looking at the motivation/emotion, category, and timing of each expense. So once you have written down all your necessities, identify items that you could spend less on. For example, can you get a less expensive cell phone plan? To reduce your rent, can you get a roommate or move into a less swanky neighborhood? Then analyze the motivation/emotion behind your spending in these categories. For example, let's say you have a lovely apartment, but you

| CATEGORY | COULD YOU SPEND LESS? | TIMING—WHEN THIS PURCHASE OCCURS |  |
|----------|-----------------------|----------------------------------|--|
|          |                       |                                  |  |
|          |                       |                                  |  |
|          |                       |                                  |  |
|          |                       |                                  |  |
|          |                       |                                  |  |
|          |                       |                                  |  |
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|          |                       |                                  |  |

could live in a less expensive place. Why do you feel the need to spend so much on rent? Is it to impress others? Why do you need a lavish vacation? Do you feel that you deserve it? It might be hard to figure out a motivation/emotion for every item on your list, but try to do it if you can. Write down all of this information in the spending chart on pages 46–47—no judgment, yet.

As you fill in the Necessities Chart, for those items not billed to you monthly, try to figure out the monthly cost. For example, if your car insurance is \$600 every six months (that's \$1,200 per year), write in \$100 per month ( $\$1,200 \div 12$ ).

## Sample Necessities Chart

| ITEM                                     | COST PER MONTH             | YEARLY COST | MOTIVATION/ EMOTION  |
|--|----------------------------|-------------|--|
| Rent/mortgage                            | \$1,500                    | \$18,000    | Wanted to live in an amazing neighborhood near all my friends.                                   |
| Renters/homeowners insurance             | \$25                       | \$300       |  |
| Electricity                              | \$60 (January)             | \$720       | Necessity. Could turn off the lights more.   |
| Heat                                     | N/A—Landlord pays          |             |  |
| Water                                    | N/A—Landlord pays          |             |  |
| Gas                                      | N/A—Landlord pays          |             |  |
| Cable/Internet                           | \$170                      | \$2,040     | Love to come home and watch movies. Takes my mind off the day, so have whole movie package.      |
| Home phone                               | N/A—Have only a cell phone |             |  |
| Cell phone                               | \$60                       | \$720       | Don't use all the minutes though since I mostly talk at night.                                   |
| Internet                                 | See above                  |             |  |
| Car payment/public transportation pass   | \$75                       | \$900       | Must ride subway; no way out of fee.   |
| Car insurance                            | N/A—Have no car            |             |  |
| Health, dental, and disability insurance | \$65                       | \$780       | Get it through work; no cheaper plan.  |
| Other insurance                          | N/A                        |             |  |
| Student loans                            | \$145                      | \$1,740     |  |
| Debt payments                            | \$213                      | \$2,556     | Still paying off old credit card debt. No way out of it. Am paying as much as I can.             |
| Groceries                                | \$200                      | \$2,400     | Often go a little crazy at the store getting many organic foods or trying the latest diet craze. |
| Investments and savings                  | N/A                        |             |  |

Total Monthly Cost of Necessities: \$2,513

Total Yearly Cost of Necessities: \$30,156

**COULD YOU SPEND LESS?**

**IF THE BILL IS NOT A FIXED AMOUNT, NOTE MONTHS WHEN BILL WILL BE SIGNIFICANTLY DIFFERENT** (i.e., electric bill higher in June, July, and August because of A/C)

Yes

No

Yes

Yes

Yes

No

No

No

No

Yes

# Necessities Chart

| ITEM                                      | COST PER MONTH | YEARLY COST | MOTIVATION/ EMOTION |
|---|----------------|-------------|---------------------|
| Rent/mortgage                             |                |             |                     |
| Renters/homeowners insurance              |                |             |                     |
| Electric                                  |                |             |                     |
| Heat                                      |                |             |                     |
| Water                                     |                |             |                     |
| Gas                                       |                |             |                     |
| Cable                                     |                |             |                     |
| Home phone                                |                |             |                     |
| Cell phone                                |                |             |                     |
| Internet                                  |                |             |                     |
| Car payment/public transportation pass    |                |             |                     |
| Car insurance                             |                |             |                     |
| Health insurance                          |                |             |                     |
| Other insurance (list separately)         |                |             |                     |
| Loans (list separately)                   |                |             |                     |
| Debt payments (list separately)           |                |             |                     |
| Groceries                                 |                |             |                     |
| Investments and savings (list separately) |                |             |                     |
|   |                |             |                     |
|   |                |             |                     |
|   |                |             |                     |

Total Monthly Cost of Necessities: \$ \_\_\_\_\_

Total Yearly Cost of Necessities: \$ \_\_\_\_\_





# SAMPLE BUDGET

| CATEGORY  | MONTHLY BUDGET TARGET AMOUNT | WEEK 1 ACTUAL SPENDING | WEEK 2 ACTUAL SPENDING |
|---|------------------------------|------------------------|------------------------|
| <b>INCOME</b>   |                              |                        |                        |
| Salary  |                              |                        |                        |
| Other   |                              |                        |                        |
| <b>TOTAL</b>  |                              |                        |                        |
| <b>NECESSITIES</b>  |                              |                        |                        |
| Rent/mortgage   |                              |                        |                        |
| Electricity   |                              |                        |                        |
| Heat  |                              |                        |                        |
| Water   |                              |                        |                        |
| Gas   |                              |                        |                        |
| Cable   |                              |                        |                        |
| Home phone  |                              |                        |                        |
| Cell phone  |                              |                        |                        |
| Internet  |                              |                        |                        |
| Car payment/public transportation pass                            |                              |                        |                        |
| Car insurance   |                              |                        |                        |
| Health insurance  |                              |                        |                        |
| Loans   |                              |                        |                        |
| Debt payments   |                              |                        |                        |
| Groceries   |                              |                        |                        |
| Other   |                              |                        |                        |
| <b>TOTAL</b>  |                              |                        |                        |
| <b>DISCRETIONARY EXPENSES (DAY-TO-DAY PLUS INCIDENTAL)</b>        |                              |                        |                        |
| Food (Including eating out, lunches, snacks; excluding groceries) |                              |                        |                        |
| Clothing/accessories  |                              |                        |                        |
| Entertainment (TV, movies, concerts, etc.)                        |                              |                        |                        |
| Vacation  |                              |                        |                        |
| Pets (Food, grooming, vet, etc.)                                  |                              |                        |                        |
| Fitness/health (Gym, massage, yoga, etc.)                         |                              |                        |                        |
| Beauty (Makeup, hair, etc.)                                       |                              |                        |                        |
| Household goods (Furniture, household products)                   |                              |                        |                        |
| Dry cleaning/laundry  |                              |                        |                        |
| Gifts/donations   |                              |                        |                        |
| Hobbies   |                              |                        |                        |
| Other   |                              |                        |                        |
| <b>TOTAL</b>  |                              |                        |                        |
| <b>INVESTMENTS/SAVINGS</b>  |                              |                        |                        |
| Amount put into 401(k), IRAs, etc.                                |                              |                        |                        |
| Amount put into stocks/bonds/mutual funds                         |                              |                        |                        |
| Amount put into savings   |                              |                        |                        |
| <b>TOTAL</b>  |                              |                        |                        |

INCOME – (TOTAL NECESSITIES + TOTAL DISCRETIONARY EXPENSES + INVESTMENTS/SAVINGS) = BUDGET BALANCE

