

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 (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 (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 New tote—\$200 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 Tote—May Diamonds—January

Incidental Discretionary Expenses Chart

ITEM	COST PER MONTH	YEARLY COST	MOTIVATION/EMOTION

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	

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
INCOME			
Salary			
Other			
TOTAL			
NECESSITIES			
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			
TOTAL			
DISCRETIONARY EXPENSES (DAY-TO-DAY PLUS INCIDENTAL)			
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			
TOTAL			
INVESTMENTS/SAVINGS			
Amount put into 401(k), IRAs, etc.			
Amount put into stocks/bonds/mutual funds			
Amount put into savings			
TOTAL			

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

