



DIY Budgeting

by Allison Goldberg, NRECA's Straight Talk

KEEPING A BUDGET can help you gain control over your finances and achieve your financial goals. Luckily, making a budget requires only a few simple tools and easily gathered information.

To create your budget, first track your expenses for an entire month. You could use a check register, a small notebook, a list in your smartphone, or a spreadsheet program, like Microsoft Excel or Google Spreadsheet. You could also use one of the many budgeting software or website options, some of which are available at low or no cost. You will also need your monthly net income.

For an entire month, track every penny you spend by capturing four details for each expense: date, amount spent, where you spent, and why. Try to enter your expenses daily.

At the end of the month, add all of your expenses. Then, according to your personal priorities, sort each expense into these categories, using subcategories that apply to you:

- **Necessities** – including housing, utilities, insurance, transportation, and groceries
- **Priorities** – including loan repayment, credit card payment, retirement savings, long-term savings, or short-term savings for things like your child's education or replacing a car
- **Discretionary spending** – including gym memberships, vacations, clothing, hobbies, entertainment, mobile phone, or home improvements


Now, you're ready to create your budget. Though there are many useful, ready-made budget spreadsheets online (search: budget spreadsheet), as well as budgeting software and websites, it's easy to create a budget spreadsheet

yourself. Use the basic information you've already collected. Create three columns: one to label expenses by category, one to estimate total monthly expenses and one to enter actual total monthly expenses as you spend. It may help to keep your itemized expenses sorted by category to help differentiate between necessity, priority, and discretionary spending.

As you spend, enter each expense into the appropriate item line on the spreadsheet. You might want to include due dates of recurring bills in the cells to the right to help you plan. If you incur an unexpected expense mid-month, add a line in the appropriate category and rebalance your estimates. However, it's best to budget an estimated amount for unexpected expenses every month.

If you overspend, subtract the amount you overspent from the next month's available funds. If the overage is big, you can divide it between a few months. This will ensure you don't incur long-term debt due to an unexpected expense or other cost in a given month. Each month, consider what you've learned about your needs and habits—and plan for upcoming expenses, like taxes and holidays—and allocate your money appropriately. Here are two shortcuts to remember for spreadsheet budgets:

- Copy and paste your budget from one month to the next to save time, then update as needed.
- You can use the tab function at the lower left of the spreadsheet to keep a year's worth of budgets in the same file.

Now, you're on your way to better spending and savings habits. Enjoy watching your savings grow and achieving your personal financial goals! 

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Kids' Safety Check Points

- Electric outlets are not overloaded.**
- Electric cords do not run under rugs or furniture legs.**
- No electric cords are worn or frayed.**
- Electric appliances are kept away from water.**
- There is a fire extinguisher in the house.**
- Electric heaters are far away from flammable objects.**
- Power tools are stored in clean dry areas.**
- All smoke detectors are properly working.**
- There are safety plug covers on outlets that are not in use.**
- There are no trees near the house that interfere with power lines.**

KIDS: Always remember to use caution when you're near electricity! Ask an adult to help you complete the inspection to the left for your home. Check off the items that meet these safe guidelines. If you find any hazards, ask an adult to fix them.