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Your Saving/Spending Plan

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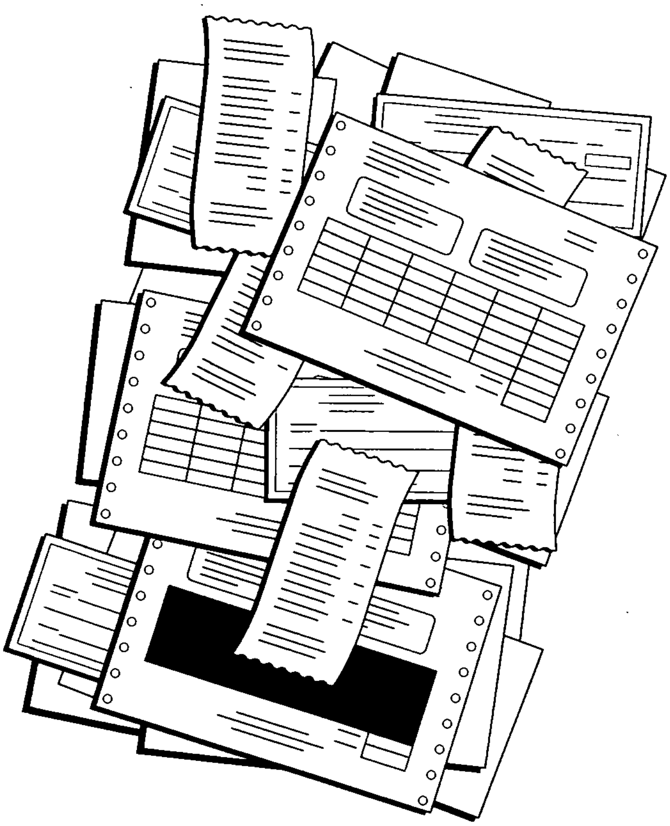
A saving/spending plan will help you make ends meet. It will help you save for emergencies and plan ahead for big expenses. You will have more control over your money. With more control over your money you will ...

- Get your bills paid
- Have money for things you need
- Have less stress
- Feel more satisfied



Use this publication to help you estimate your income and expense. Then start keeping track of the income you actually receive and your actual expenses.

Think of ways to control your money. Which of these might work for you?

- Have all bills in one place, ready to pay.
- Pay all bills the day you get paid.
- Buy all necessities the day you get paid.
- Have a list of things you plan to buy during the month and how much you can pay for each item.
- Budget and spend a set amount of grocery money for a 1- or 2-week period.

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Step 1: Estimate income.

The first step in making a saving/spending plan is to figure out the income of all family members. Include only income that is "for sure," not what "might be."

If your income varies from month to month, figure average monthly income. If the yearly estimated income from one source is $9,600, the average monthly income is $800 ($9,600 ÷ 12 months = $800/month).

If there are times of year when you have no income, plan to save money for these times. Know which months you expect less income and which you expect more.

Income for (month) ____________

Item	**Amount**
Job/self-employment	____________
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Overtime and part-time work	____________
Alimony and/or child support	____________
Social Security	____________
Veteran's benefits	____________
Worker's compensation	____________
Benefits such as Oregon Trail Card	____________
Unemployment insurance	____________
Other	____________
Monthly total	____________

Note: To convert weekly amounts (either expenses or income) to monthly amounts, multiply weekly amount by 4.33.

Step 2: Estimate expenses.

Plan for savings, just as you plan for expenses.

Use old bills, cancelled checks, and receipts to help you estimate expenses.

Change this list of expenses to fit your family. If you have expenses not listed in the example, add them. Delete from the sample list any expenses you don't have.

There will be unexpected expenses—auto repairs, dental and medical bills, and appliance repairs, for example. You may want to set up a special emergency fund or keep money in your regular savings for these expenses.

Some expenses, such as car insurance, holiday expenses, back-to-school clothes, and property taxes, occur only once or twice a year. Know which months you have these expenses. Figure the average monthly cost.

For example, if the car insurance bill is $240 for 6 months, the average monthly cost is $40 ($240 ÷ 6 months = $40). Set aside $40 each month for this expense.

Can you make arrangements for monthly payments of expenses such as car insurance or property taxes?

Look at loan payments. When will a loan be completely paid? When it is paid, consider saving some of the money you were using for payments.

Think about expenses you can reduce.

Saving/expenses for (month) ____________

Item	**Amount**
Savings	________
Rent or mortgage	________
House and auto insurance	________
Property taxes	________
Federal/Oregon income taxes	________
Electricity and gas	________
Water and sewer	________
Telephone/cable TV	________
Child care	________
Life and health insurance	________
Loan payments	
Car	________
Furniture and appliances	________
Other	________
Food at home	________
Food away from home	________
Clothing	________
Transportation (gas, auto parts and repair, bus fare)	________
Gifts (birthdays, etc.)	________
Contributions	________
Personal care	________
Medical/dental	________
Recreation/sports/crafts	________
Household supplies	________
Educational expenses	________
Other	________
Monthly total	________

Step 3: Make a monthly saving/spending plan.

Now that you have estimated monthly income and expenses, make a saving/spending plan each month. List the income available to spend this month (Step 1). Using your list of expenses (Step 2), itemize expenses for this month. Look ahead to see what must be set aside for future expenses. It's okay if every penny isn't budgeted. In fact, it's good to have some leeway for the unexpected.

In their October plan, Stan and Rosemary listed the pay Stan gets at the end of September and Rosemary's earnings each week caring for the neighbor's children. They set aside money toward property tax due in November and auto insurance due in January. Rosemary hopes they can set aside money for the holidays. Stan and Rosemary will keep track of their October expenses (Step 4) so they can make a more accurate and complete plan for November.

Stan and Rosemary — October

Income

$ 921.42 Stan's net pay, rec'd Sept. 30
200.00 Rosemary's pay ($50 rec'd Oct. 7, 14, 21, 28)
$ 1,121.42

Savings	$50	(emergency fund)
Expenses		
Mortgage	232.00	(due on 5th)
Electricity	50.00	(due on 5th)
Telephone	17.00	(due on 5th)
Cable TV	15.00	(due on 5th)
Food at home	300.00	
Stan's lunches	80.00	
Clothing	30.00	(shoes for baby)
Gas for car	40.00	
Medical	15.00	(baby's prescription)
Household supplies	15.00	
Set-aside for prop. tax	100.00	(pay in 3 installments of $400; due Nov., Feb., May)
Set-aside for auto ins.	50.00	(ins. premium due in Jan.— $284 for 6 mos.)
	994.00	
Income	$ 1,121.42	
– Savings/Expenses	994.00	
	+ $ 127.42	(unbudgeted)

Step 4: Keep track of actual income and expenses.

During the month, write down the income you actually receive and the money you spend. Make one household member responsible for recording how much the household spends. Everyone needs to cooperate by reporting income and expenses to the recordkeeper.

Compare actual expenses to the plan made in Step 3. If you overspend in one area, adjust the plan. For example, Rosemary and Stan's phone bill is $27 rather than $17. Can they reduce the cost of household supplies? Should they try to reduce next month's phone bill by making fewer long-distance calls?

If your plan isn't perfect,
don't be discouraged.
It may need to be changed often
because your family's activities
are always changing.

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