At the beginning of this section of the toolkit, you started out tracking your spending. This is the first step in starting a spending plan. In order to create your spending plan, you need to:

- Identify you income
- List your expenses
- Compare income and expenses
- Decide which items are most important
- Make changes

Use the following charts as a guideline. If you have income or expenses not listed on the chart, be sure to add them to the list. It is very important to be as honest and accurate as possible. If you live with your parents and do not pay your own bills yet, go through the worksheets with them and learn about your household budget.

**Step 1: Identifying Income**

<table>
<thead>
<tr>
<th>Income</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-tax wages (you only)</td>
<td>$ _____________</td>
</tr>
<tr>
<td>After-tax wages (others in household)</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Tips or bonuses</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Child Support</td>
<td>$ _____________</td>
</tr>
<tr>
<td>SSI or SSDI</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Public Assistance (Cal-Works)</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Other</td>
<td>$ _____________</td>
</tr>
<tr>
<td>Total Income</td>
<td>$ _____________</td>
</tr>
</tbody>
</table>

Remember to update this information when things change. Half the battle is making money. The other half is cutting down on spending. Both are important- on to step #2.
Step 2: Listing Expenses

Use the spending journal you created earlier to fill in the following—add lines for expenses not listed.

Expenses .................................................................................................... Per Month
Savings (See pay yourself first) ................................................................. $ _____________
Rent or Mortgage .................................................................................... $ _____________
Heating and electricity ........................................................................... $ _____________
Water ....................................................................................................... $ _____________
Telephone (home, cell) .......................................................................... $ _____________
Other household expenses (cable TV, Internet, etc.) ....................... $ _____________
Groceries ............................................................................................... $ _____________
Snacks/meals eaten out ......................................................................... $ _____________
Transportation (bus/train fare or car payment, gas, and repairs) .... $ _____________
Auto insurance premium ....................................................................... $ _____________
Health insurance premium .................................................................... $ _____________
Life insurance ....................................................................................... $ _____________
Doctor and dentist bills (not covered by insurance) ....................... $ _____________
Child care .............................................................................................. $ _____________
Taxes (property, auto, etc.) ................................................................. $ _____________
Pet care .................................................................................................. $ _____________
Clothing/uniforms ............................................................................... $ _____________
Loan payments (other than mortgage or car payments) ............... $ _____________
Alimony/child support ......................................................................... $ _____________
Financial support to other relatives ............................................................ $ _____________
Credit Cards ............................................................................................... $ _____________
Personal (toiletries, allowances, etc.) .......................................................... $ _____________
Religious/charitable contributions .............................................................. $ _____________
Entertainment (movies, concerts, etc.) ........................................................ $ _____________
Miscellaneous (classes, gifts, vacation)....................................................... $ _____________
Other ......................................................................................................... $ _____________

Total Expenses ............................................................................................ $ _____________

**Step 3: Comparing Income and Expenses**

To learn how much money you have left over after paying all of your bills, subtract your total monthly expenses (Step 2) from your total monthly income (step 1).

Your total monthly income ......................................................................... $ _____________
Your total monthly expenses ....................................................................... $ _____________
The difference equals = ............................................................................... $ _____________

If you find that your expenses are too high for your income, come up with ways to reduce your expenses. Do you eat out too often? Can you shop around for cheaper car insurance? Do not forget the small things like bringing your lunch to work or school instead of buying it each day. Small changes can add up!

**Step 4: Setting Priorities and Making Changes**

To complete your spending plan, you will need to decide what is most important to you. For example, if you want to buy a car, but also want to go out with your friends, you may have to set priorities. This does not always mean having to stay home and give up having fun with friends. It may mean that you and your friends rent a movie or watch one on TV rather than going out. No Limits. And of course, never, never be afraid to ask for help!