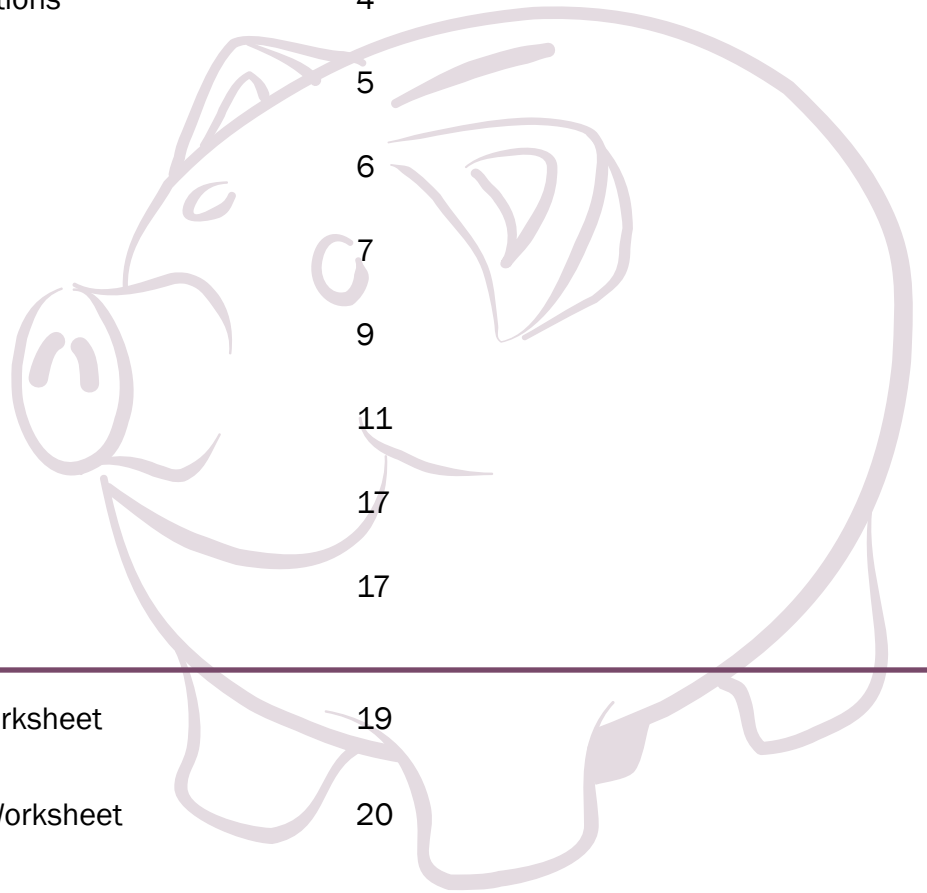




SAVING TO ACHIEVE YOUR GOALS

Table of Contents

Saving – Points to Ponder	1
Set Goals to Guide You	2
Budgeting Basics and Assumptions	4
Saving Begins with Budgeting	5
Annual Budget	6
Monthly Worksheets	7
What to Pay This Week	9
Managing Periodic Expenses	11
Create Your Budget	17
Going Forward	17
APPENDICES	
Appendix A – Setting Goals Worksheet	19
Appendix B – Annual Budget Worksheet	20
Appendix C – Income Log Worksheet	24
Appendix D – Monthly Expense Log Worksheet	25
Appendix E – What to Pay This Week Worksheet	26
Appendix F – Periodic Expense Chart Worksheet	27



*S*aving – just saying the word sounds good, and it brings to mind financial success and achieving financial goals. And yet, for many Americans, saving money is a challenge. National savings rates show that Americans have one of the lowest savings rates among industrialized countries.



SAVING — POINTS TO PONDER

We've probably all heard the saying, "Pay yourself first." As a rule of thumb, financial experts, families, friends and even strangers will encourage us to put aside some money in savings before we pay our bills. Problem is - many of us don't follow the advice. Instead, we pay our bills and at the end of the month, there is no money to save.

What financial goals do you have? Have you had a tough time achieving them? Or are you looking for a way to achieve them quicker? Would you like to set up an emergency savings account to use for unexpected expenses? Or would you like to pay off some of your credit card debt?

Whether you have short-, mid-, or long-term goals, saving money is the key to achieving all of them. You can achieve your goals by making savings a part of your personal financial budget. Budgeting is the cornerstone to anyone's personal financial plan, whether you're saving a lot of money already or if you're behind on your financial obligations. A budget tells a financial story. By planning, tracking and adjusting, the financial story that your budget tells will be a successful one.



SET GOALS TO GUIDE YOU

Before you can create a plan for spending and saving, financial goals must be established. Goals reflect your values and provide direction for planning. Establishing goals will help you balance needs versus wants.

Characteristics of Goals

Understanding the difference between a dream and a goal is important. If you say that you want to live a comfortable retirement, then you have a dream. But, if you say that you will retire at x age, will need to save y dollars and it will need to last till age z , then you have a goal. What is the difference between the two?

Specific

Goals should be specific. How much do you need to save? How long of a time frame do you have before you need the money? For example, you might need to save \$5,000 in 2 years for a down payment to buy a house.

Measurable

You will have to measure and monitor your progress. How will you do this? Do it in a way that makes sense to you. As you save money each week or each month you can track it on a computer, write it down or even see it logged on your pay stub as money is moved from your paycheck to a savings account. In any event, measure your progress as you move toward achieving your goal.

Reasonable and Realistic

Set goals that are reasonable and realistic. Don't try to save too much each period and end up sacrificing other parts of the budget. You might have to lengthen your time frame to achieve a goal and decrease the amount you save each time. Remember, saving is a lifelong process and a consistent, systematic approach will pay off.

Set Your Goals

Each member of the family has his/her own ideas about which goals are important. Everyone

should sit down together to identify goals. Open communication among all family members helps prioritize the goals that are acceptable to everyone.


Take some time to set your financial goals. Use the worksheet in Appendix A - Setting Goals as a guide. Short-, mid-, and long-term goals are important. Although the time frame that you put on your goals may vary, here are some rules of thumb:

- ▶ **Short-Term** goals are those that can be achieved in a year or two
- ▶ **Mid-Term** goals are those that can be achieved in two to five years
- ▶ **Long-Term** goals are those that can be achieved in greater than five years

You can start to discuss and identify your goals by asking these questions:

- ▶ **Financial Goals** - How can I spend my resources to give me the most satisfaction?
- ▶ **Leisure Time Goals** - How do I want to spend my time?
- ▶ **Living Arrangement Goals** - What living arrangements would support my desired lifestyle?
- ▶ **Health and Well-Being Goals** - Do I need more insurance, less insurance? Do I need an exercise program or special diet?
- ▶ **Educational Goals** - How can I improve my skills or my children's skills for the future?
- ▶ **Retirement** - How do I want to live in retirement?

Once you answer those questions, you can list and prioritize your goals as short-, mid-, or long-term.



GOALS EXERCISE	
Goals you would like to accomplish within the next 1 to 2 years: _____	_____
Goals you would like to accomplish in the next 2 to 5 years: _____	_____
Goals you would like to accomplish in more than 5 years: _____	_____

After you have identified your specific goals, use the worksheet in Appendix A - Setting Goals to complete the financial details. Here are two examples:

SAMPLE GOALS				
Goal	Short-, Mid- or Long-Term	Total Amount Needed	Months until Goal is Reached	Amount to Save each Month
Take the family camping	Short-	\$600	12	\$50
Save for a down payment on a new house	Mid-	\$3,600	36	\$100

Goals change continuously over a lifetime. As goals are reached, new ones should be established.

BUDGETING BASICS AND ASSUMPTIONS

Budgeting can be a simple and straightforward process. It can also be a rewarding experience for all family members. But it takes interest and commitment.

Some individual and family budgets can become far more complex than they need to be. For example, some families have “his and her budgets” where the husband has a budget and pays certain bills and the wife has a budget and pays certain bills. Other families have “his, hers, and our budgets.” Under this arrangement, the husband has a budget and pays certain bills, the wife has a budget and pays certain bills, and they have a budget together from which they pay certain bills. To make matters more complex, the amount of money that each person contributes to the joint budget is based upon a weighted average of how much money they each make. A family budget that is too complex can lead to frustration and arguments among family members.

The budget presented in the following sections is based upon a number of assumptions that have proven to be successful in family budgeting.

One Budget per Family

A family is a team and a team works together. **It is assumed** that -- the family budget will be a team effort. Income from all sources in the family will be included in the family income and all family expenses will be paid from that income. Family savings will be included as one of the expenses in the budget.

Make a Master Plan Once Each Year

Just as you have goals at work that you plan to achieve, so too will you have them at home. **It is assumed** that -- the family budget for the upcoming year will be prepared by the family prior to the beginning of the New Year. The master budget will be your guide for spending and saving.

The Budget will be Worked Weekly

A muscle needs exercise, and a budget needs work. To be good at anything, you need to work at it. A budget is no exception. You can be a great budgeter – it’s just a matter of doing it. **It is assumed** that -- once each week you will work your master budget by paying the bills that are due, logging income, tracking expenses, reviewing goals and tallying results as necessary. Even though you should work as a family to set goals and discuss the annual budget, it might be easier if one family member “works the budget” each week.

Modify as Needed

Be ready for change. When you hit a roadblock – and you will – you must step back and re-evaluate the situation before going forward. So, **it is assumed** that -- when changes in your life occur, you will modify the plan as needed.

The goal in making these assumptions is to simplify the family budgeting process. However, what if you find that some of these assumptions cannot be implemented in your household? For example, what if you must have two family budgets or you want more than one person to pay the bills each week? Don’t worry – the following tools, methods, and procedures can be used in any situation.

SAVING BEGINS WITH BUDGETING

Remember that budgeting is the cornerstone of your family financial plan. Most Americans keep a budget in one of three ways, 1) on a computer, 2) on paper, or 3) in their head. The budget presented in this booklet is a paper budget. If you keep your budget in your head, commit to putting it in writing. If you currently use a computer or paper, you might be able to use some of the tools and processes presented here in your budgeting routine.

In its most basic form the budget includes income, expenses, and debts. Income and debts are usually fairly straightforward categories and are easy to identify and list. You might have a few income sources depending on how many wage earners you have in the family. And with debts, you might have a mortgage, a car loan, a student loan, a personal loan, and a number of credit cards, for example. It's the expense side of the budget that always seems to be the most challenging for people. When preparing your budget, include as many expense categories as possible in order to see where your money is going. Spending too much can sabotage your goals. It's not how much you earn in your life, but how much you spend that keeps you from achieving your goals.

Keeping track of your income, expenses, and debts will allow you to continually monitor your budget as you move toward accomplishing your goals. There are a number of worksheets available in this booklet to help you manage your budget. Use the worksheets to look at your

budget from an annual, monthly and weekly basis. They are easy to use and can be modified to suit your budget. They include:

Annual Budget - The annual budget worksheet in Appendix B provides a comprehensive monthly view of the family budget.

Income Log - The income log worksheet in Appendix C allows you to track all of your income for the year month by month.

Monthly Expense Log - The monthly expense log worksheet in Appendix D provides a tool to track expenses as they are paid.

What to Pay This Week - The "What to Pay This Week" worksheet in Appendix E is a tool that is used on a weekly basis to determine the expenses to be paid each week.

Periodic Expense Chart - The periodic expense chart in Appendix F is the worksheet that will be used to manage the periodic expenses in your budget including entertainment, gifts, vacation, car repairs and maintenance, house repair and maintenance among others.

How to use each of these worksheets will be discussed in the following sections.



ANNUAL BUDGET

The term annual budget might be a little misleading because the annual budget is really a monthly budget that will be followed each month for the entire year.

Once a year, in November or December, prepare your annual budget for the upcoming year. The annual budget for next year will take into account a number of items, including family goals, expected income, what you spent this year and expected expenses for the upcoming year.

Choose a time when the entire family can sit down and discuss the budget. Leave enough time to discuss all issues, and give everyone an opportunity to express his/her ideas and concerns. If you need additional family sessions, schedule more. Set a time limit for the meetings so they are productive.

The reason for meeting as a family to discuss the annual budget is to set a financial plan for the upcoming year that includes a balanced budget that meets the family needs and realistic wants. The annual budget meetings also have the added benefit of giving family members a chance to talk about money as a family, to share ideas, and to gain perspective on other family members' needs and wants. It also gives you the opportunity to identify new goals and to confirm that existing goals are still important and being worked towards.

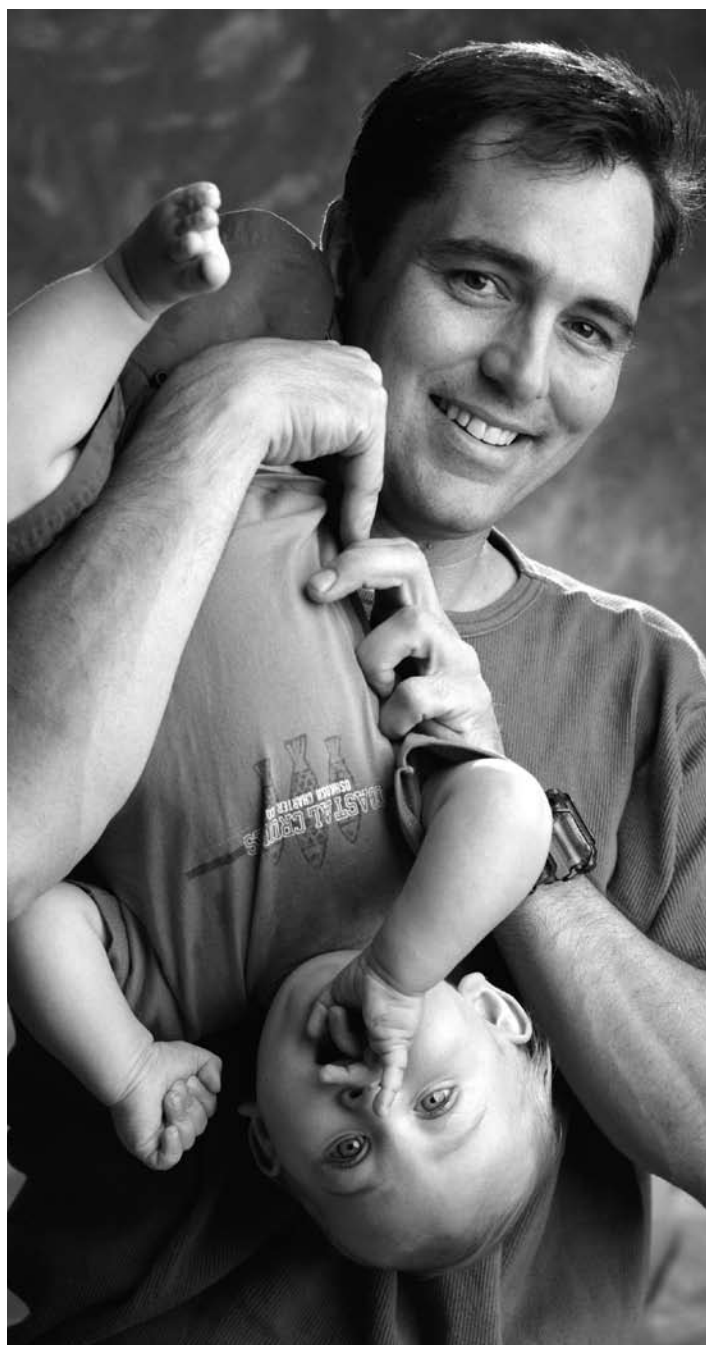
Use the Annual Budget worksheet in Appendix B and fill in the categories that apply to your monthly budget for the upcoming year. Expect to make adjustments as you prepare the budget. Consider what you earned and spent this year to determine what you will include in next year's budget. Also remember to include enough money in the savings category to stay on track to reach your short-, mid-, and long-term goals.

If the budget does not balance, discuss what areas of the budget can be adjusted. Will you

increase income or decrease expenses? Whose income will increase? What expenses will be reduced? Will goal time frames be adjusted?

Once you have a balanced budget, it's time to move on to the next worksheets.

There are two monthly worksheets available to track your income and expenses. The Income



MONTHLY WORKSHEETS

Log and Monthly Expense Log are tracking tools to log income and expenses throughout the year. At the end of each month, compare the totals on each worksheet to the balanced monthly budget you prepared in the annual budget. If you find discrepancies, you can make appropriate adjustments in the following month.

Income Log

Use the Income Log worksheet in Appendix C to track the net income for all wage earners in the family. In the column titled "Source," write the name of the wage earner and his/her employer's name. In some cases, one wage earner will have more than one income source, so list different jobs as individual sources. Each time you receive a paycheck, list the net amount received in the appropriate cell. Here's an example of an income log for the first three months of the year for a family with two wage earners, who each have two jobs:

Source	Jan	Feb	Mar
Carla – HPS Inc.	\$345.66	\$345.66	\$345.66
	\$345.66	\$345.66	\$345.66
	\$345.66	\$345.66	\$345.66
	\$345.66	\$345.66	\$345.66
Carla – Buy Mart	\$145.12	\$105.15	\$136.12
	\$169.02	\$98.12	\$154.12
John – HVAC Inc.	\$1,005.11	\$1,005.11	\$1,005.11
	\$1,005.11	\$1,005.11	\$1,005.11
John – Soccer Referee	\$100	\$125	\$100
Totals	\$3,807.00	\$3,721.13	\$5,133.88

Monthly Expense Log

Use the Monthly Expense Log worksheet in Appendix D to track your monthly expenses. You will use this worksheet each week when you sit down to pay your bills and work on your budget. You will need to make copies of the worksheet. Go back to the Annual Budget worksheet and find out what specific expense categories you have. Write down each of your expense categories in the column called Expense Item. For example, your categories might be Mortgage, Home Insurance, Electric, Gas, Water/Sewer, Food, Life Insurance, Student Loan, Car Loan, Gasoline, Car Repair/Maintenance, Clothing, Gifts, Entertainment, Cable, Newspaper, Savings, etc. You will probably list more than 20 items. Write the Expected Monthly Amount for each item in the space provided. Be

sure to write the due date for each Expense Item in the Due Date column. If it's a weekly expense, write "weekly." If it has a specific due date, write that date. These dates will be very important when you complete the What To Pay This Week worksheet. Here's an example of what your Expense Log might look like:

Expense Item	Expected Monthly Amount	Due Date	Jan	Feb	Mar
Mortgage	\$1,100	1st	\$1,099		
Gas	\$50	21st	\$148.56		
Electric	\$50	21st	\$35.55		
Water/Sewer	\$35	4th	\$28.66		
Car Payment	\$450	15th	\$450		
Gasoline	\$100	28th	\$115.14		
Insurance	\$100	24th	\$103.15		
Newspaper	\$15	5th	\$15		
Cable	\$25	5th	\$24.56		
Student Loan	\$180	21st	\$179.65		
Food	\$1,100	Weekly	\$1,120		
Car Repairs/ Maintenance	\$50	8th	\$50		
Gifts	\$100	8th	\$100		
Entertainment	\$50	8th	\$50		
Clothing	\$200	8th	\$200		
Vacation	\$100	8th	\$100		
House Repairs/ Maintenance	\$100	8th	\$100		
Medical	\$200	28th	\$145.55		
Savings	\$200	Weekly	\$50,\$50 \$50,\$50		
Totals	\$4,205.00	—	\$4,264.82		

WHAT TO PAY THIS WEEK

The worksheet in Appendix E called What To Pay This Week will be your main guide each week when you sit down to pay your bills. It links your master checkbook, your weekly income, and your weekly expenses. Look at it as your weekly roadmap, or your weekly “to do” list, or your tour guide. It will become an invaluable tool. This worksheet takes the large job of budgeting and breaks it down into small tasks that are easier to manage. So how do you use it?

You will need to make copies of this worksheet too. Each block represents one week, so each page covers four weeks. Let’s assume that you choose to pay your bills at the end of each week on Saturday. Determine the date of the first Saturday of the New Year. Enter that date in the appropriate area. Look at your checkbook and enter the current balance in the designated area on the worksheet. Will anyone in the family get paid this week? If so, enter that amount next. From the sum of your checking account balance and income earned this week you will subtract the bills to pay this week.

A family budget will generally include weekly, monthly, and periodic expenses (those that occur every couple of months, quarterly, semi-annually, etc.). Weekly expenses will be listed each week, monthly expenses will be listed once during the month and periodic expenses, which will be discussed later, will be treated as monthly expenses and paid once each month. What bills need to be paid this week? List them. Weekly expenses might include food, savings, day care, bus fare, etc. To calculate weekly expenses, use the monthly amount that you logged in the annual budget, multiply that number by 12 and then divide it by 52 to arrive at the weekly amount. In the first week of the month, you might pay monthly expenses such

as rent, mortgage, utilities, etc. Go back to your Monthly Expense Log to find the expected monthly amount of each expense. Look at the due dates that you listed on your Monthly Expense Log to determine what will be paid in the first week of the month. Once you log in all the bills to be paid in the first week of the month, calculate the checking account balance. That number will be carried over to the next week as the Checking Account Balance Forward.

Now repeat the exercise for the second Saturday of the month. Log in the income. What bills will be paid this week? List them. Fill in two or three months of What To Pay This Week worksheets. You should see a pattern where the same bills will be paid in the same week of each month. This should make filling out the worksheet much easier after it’s done a few times.

When you pay a bill, cross it off of your What To Pay This Week list and put a checkmark next to the exact amount paid in the Monthly Expense Log. Even though you might have estimated your monthly electric bill as \$50 and you use this amount on your What To Pay This Week list, after you pay the bill include the exact amount of the monthly electric bill on the Monthly Expense Log. These exact numbers will be used at the end of the year to budget for the following year.



Here's an example of what the What To Pay This Week worksheet might look like in your budget:

<p>Date: 1/2/08</p> <p>Checking account balance forward: \$600</p> <p>(PLUS) Income this week: \$345, \$1005</p> <p>(MINUS) Bills to pay this week:</p> <table border="0"> <tr><td>1. Food</td><td>\$250</td></tr> <tr><td>2. Saving</td><td>\$50</td></tr> <tr><td>3. Mortgage</td><td>\$1099</td></tr> <tr><td>4. Water/Sewer</td><td>\$35</td></tr> <tr><td>5. Newspaper</td><td>\$15</td></tr> <tr><td>6. Cable</td><td>\$25</td></tr> <tr><td>7.</td><td></td></tr> <tr><td>8.</td><td></td></tr> <tr><td>9.</td><td></td></tr> <tr><td>10.</td><td></td></tr> </table> <p>(EQUALS) Checking account balance: \$476</p>	1. Food	\$250	2. Saving	\$50	3. Mortgage	\$1099	4. Water/Sewer	\$35	5. Newspaper	\$15	6. Cable	\$25	7.		8.		9.		10.		<p>Date: 1/9/08</p> <p>Checking account balance forward: \$476</p> <p>(PLUS) Income this week: \$345, \$150</p> <p>(MINUS) Bills to pay this week:</p> <table border="0"> <tr><td>1. Food</td><td>\$250</td></tr> <tr><td>2. Saving</td><td>\$50</td></tr> <tr><td>3. Car Repairs/Maintenance</td><td>\$50</td></tr> <tr><td>4. Gifts</td><td>\$100</td></tr> <tr><td>5. Entertainment</td><td>\$50</td></tr> <tr><td>6. Clothing</td><td>\$200</td></tr> <tr><td>7. Vacation</td><td>\$100</td></tr> <tr><td>8. House Repairs/Maintenance</td><td>\$100</td></tr> <tr><td>9.</td><td></td></tr> <tr><td>10.</td><td></td></tr> </table> <p>(EQUALS) Checking account balance: \$71</p>	1. Food	\$250	2. Saving	\$50	3. Car Repairs/Maintenance	\$50	4. Gifts	\$100	5. Entertainment	\$50	6. Clothing	\$200	7. Vacation	\$100	8. House Repairs/Maintenance	\$100	9.		10.	
1. Food	\$250																																								
2. Saving	\$50																																								
3. Mortgage	\$1099																																								
4. Water/Sewer	\$35																																								
5. Newspaper	\$15																																								
6. Cable	\$25																																								
7.																																									
8.																																									
9.																																									
10.																																									
1. Food	\$250																																								
2. Saving	\$50																																								
3. Car Repairs/Maintenance	\$50																																								
4. Gifts	\$100																																								
5. Entertainment	\$50																																								
6. Clothing	\$200																																								
7. Vacation	\$100																																								
8. House Repairs/Maintenance	\$100																																								
9.																																									
10.																																									
<p>Date: 1/16/08</p> <p>Checking account balance forward: \$71</p> <p>(PLUS) Income this week: \$345, \$1005</p> <p>(MINUS) Bills to pay this week:</p> <table border="0"> <tr><td>1. Food</td><td>\$250</td></tr> <tr><td>2. Saving</td><td>\$50</td></tr> <tr><td>3. Gas</td><td>\$50</td></tr> <tr><td>4. Electric</td><td>\$50</td></tr> <tr><td>5. Student Loan</td><td>\$180</td></tr> <tr><td>6. Car Payment</td><td>\$450</td></tr> <tr><td>7.</td><td></td></tr> <tr><td>8.</td><td></td></tr> <tr><td>9.</td><td></td></tr> <tr><td>10.</td><td></td></tr> </table> <p>(EQUALS) Checking account balance: \$391</p>	1. Food	\$250	2. Saving	\$50	3. Gas	\$50	4. Electric	\$50	5. Student Loan	\$180	6. Car Payment	\$450	7.		8.		9.		10.		<p>Date: 1/22/08</p> <p>Checking account balance forward: \$391</p> <p>(PLUS) Income this week: \$345, \$150, \$100</p> <p>(MINUS) Bills to pay this week:</p> <table border="0"> <tr><td>1. Food</td><td>\$250</td></tr> <tr><td>2. Saving</td><td>\$50</td></tr> <tr><td>3. Gasoline</td><td>\$100</td></tr> <tr><td>4. Medical</td><td>\$200</td></tr> <tr><td>5. Insurance</td><td>\$100</td></tr> <tr><td>6.</td><td></td></tr> <tr><td>7.</td><td></td></tr> <tr><td>8.</td><td></td></tr> <tr><td>9.</td><td></td></tr> <tr><td>10.</td><td></td></tr> </table> <p>(EQUALS) Checking account balance: \$286</p>	1. Food	\$250	2. Saving	\$50	3. Gasoline	\$100	4. Medical	\$200	5. Insurance	\$100	6.		7.		8.		9.		10.	
1. Food	\$250																																								
2. Saving	\$50																																								
3. Gas	\$50																																								
4. Electric	\$50																																								
5. Student Loan	\$180																																								
6. Car Payment	\$450																																								
7.																																									
8.																																									
9.																																									
10.																																									
1. Food	\$250																																								
2. Saving	\$50																																								
3. Gasoline	\$100																																								
4. Medical	\$200																																								
5. Insurance	\$100																																								
6.																																									
7.																																									
8.																																									
9.																																									
10.																																									

MANAGING PERIODIC EXPENSES

Periodic expenses are the trickiest expenses in the family budget. These expenses don't occur each week or each month. Instead, they occur at different times during the year. For example, clothing might be purchased seasonally, car repairs and maintenance might occur every 3,000 miles or when something breaks down, and a vacation might be taken during the summer. Normally, these are the types of expenses that are paid with credit cards. Typically, when the credit card bill arrives, only the minimum payment is paid leaving an outstanding balance to generate finance charges and increased expense. Periodic expense management is key to successful family budgeting because it takes expenses that happen at different times during the year and treats them as monthly expenses.

When planning your annual budget in November or December, pay particular attention to your periodic expenses. These generally include expenses such as car repairs and maintenance, gifts, entertainment, house repairs and maintenance, clothing, vacation and insurance. Estimate how much money you will spend in each of these categories in the following year. Here are some questions that you can ask when trying to determine how much will be spent:

- ▶ Car repairs and maintenance
 - How many miles do I drive each year?
 - How often do I usually get oil changes?
 - How old is my car?
 - What maintenance is expected next year (30,000 mile service, new tires, etc.)?
 - Will I be driving more or fewer miles next year?
 - How much does each service item cost?
- ▶ Gifts
 - Who did I buy gifts for this year?
 - Who will I buy for next year?
 - How much will I spend on each gift?
- ▶ Entertainment
 - How much do I spend during the holiday season?
 - Are there any special occasions (wedding, anniversary, graduation, prom, etc.) expected next year?
 - Do I buy cards for every occasion?
- ▶ House repairs and maintenance
 - Do we have a yard to maintain?
 - How much do we spend on mulch, flowers, fertilizer, vegetables, tools, etc. for the yard each year?
 - Is painting needed?
 - What major items need repair (hot water heater, washer/dryer, oven, dishwasher, microwave, windows, roof, siding, gutters, etc.) in the upcoming year or in subsequent years?
 - How much money will be needed to replace the major items?
- ▶ Clothing
 - How many people are in the family?
 - How much did we spend last year on clothes?
 - Where do we shop for clothing?
 - Can we find better deals on clothing?
 - What hand-me-down opportunities do we have from cousins, friends or neighbors?
 - Will anyone be getting a new job that will require a new wardrobe?

➤ Vacation

- Do we take vacations?
- How many vacations do we take each year?
- How much did we spend on vacations last year?
- Is there a special occasion coming next year that will require travel?

➤ Insurance

- How often do we pay car insurance, life insurance, homeowners insurance, renters insurance, etc?
- How much do we pay for each?
- Will we be buying more insurance in the upcoming year?
- Will there be a new driver in the household?
- Will there be a new child in the household next year?

You might have other expenses in your budget that you identify as periodic. List them and follow the same type of questioning sequence to estimate how much money you will spend next year in each category. Reviewing old credit card statements is a good way to determine what you purchased last year and how much you spent.

Calculating these numbers can be time consuming, but the payoff will be worth it. The purpose of this exercise is to have the cash available to make the purchases when they occur. Good management of periodic expenses will minimize the need to maintain a balance on your credit cards. If you already carry balances on your credit cards, periodic expense management will help you to not increase those balances next year.

Once you calculate how much you expect to spend in each of the categories next year, divide each number by 12. This will give you the expected monthly amount for each expense.

Remember, you will treat periodic expenses as monthly expenses in your budget. By taking the time before the expenses occur and evaluating what to expect, you will be able to save the money each month and have it when the expenses occur. Calculate the total of all monthly periodic expenses, and that is the amount you will save each month. For example,

Car repairs/maintenance	\$50/mo.
Gifts	\$100
Entertainment	\$50
House repairs/maintenance	\$100
Clothing	\$200
Vacation	\$100
Insurance	\$100
Total	\$700

Where will you save this money? Open a second checking account and call it your periodic expense account. Once a month, transfer funds (or write a check) from your master checking account to your periodic expense checking account. In this example, \$700 would be deposited each month into your periodic expense checking account.

How do you keep track of how much of the money in your periodic expenses checking account is available for specific items? The Periodic Expense Chart Worksheet in Appendix F will be a useful tracking tool. Make a copy of the worksheet for each periodic expense that you have in your budget, and also make a copy for your master. Identify the expense item, how much you plan to spend in the upcoming year and how much you will add to the account each month. Each month when you move your money over to the periodic expense checking account, you will log the total amount on the master and

how much of that money is designated for each expense item on the corresponding worksheet.

You can use your credit cards to make purchases each month or you can write checks. Whichever method you prefer, be sure to log the expenses both in your check register and on the proper worksheet. Be sure to keep all receipts and identify what type of expense it is so you can

accurately check your credit card statement at the end of each month and so you can accurately log your periodic expenses on your worksheets.

Here's an example: Let's assume that you have decided that you will move \$700 to your periodic expense checking account in the second week of each month. Here's how your worksheets will look after that deposit in January:

Expense Item: MASTER		Amt / Year: \$8,400	Amt / Month: \$700
DATE	IN	OUT	BALANCE
1/13/08	\$700		\$700

Expense Item: CAR REPAIRS/MAINTENANCE		Amt / Year: \$600	Amt / Month: \$50
DATE	IN	OUT	BALANCE
1/13/08	\$50		\$50

Expense Item: GIFTS		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Expense Item: ENTERTAINMENT		Amt / Year: \$600	Amt / Month: \$50
DATE	IN	OUT	BALANCE
1/13/08	\$50		\$50

Expense Item: HOUSE REPAIRS/MAINTENANCE		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Expense Item: CLOTHING		Amt / Year: \$2,400	Amt / Month: \$200
DATE	IN	OUT	BALANCE
1/13/08	\$200		\$200

Expense Item: VACATION		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Expense Item: INSURANCE		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Now, let's assume that during January you used a credit card (it is suggested that you use one credit card to make all of your periodic expense purchases) to make the following purchases:

Car repairs and maintenance - oil change	\$19.95
Gifts - Dad's birthday	\$35
Entertainment - John's viola lessons	\$60
Clothing - shoes for Bob	\$45.55
Total	\$160.50

When the credit card bill comes in, pay it with a check from your periodic expense checking account and log the various expenses on your worksheets. Here's how the worksheets will look after the first month:

Expense Item: MASTER		Amt / Year: \$8,400	Amt / Month: \$700
DATE	IN	OUT	BALANCE
1/13/08	\$700		\$700
1/31/08		\$160.50	\$539.50

Expense Item: CAR REPAIRS/MAINTENANCE		Amt / Year: \$600	Amt / Month: \$50
DATE	IN	OUT	BALANCE
1/13/08	\$50		\$50
1/31/08		\$19.95	\$30.05

Expense Item: GIFTS		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100
1/31/08		\$35	\$65

Expense Item: ENTERTAINMENT		Amt / Year: \$600	Amt / Month: \$50
DATE	IN	OUT	BALANCE
1/13/08	\$50		\$50
1/31/08		\$60	(\$10)

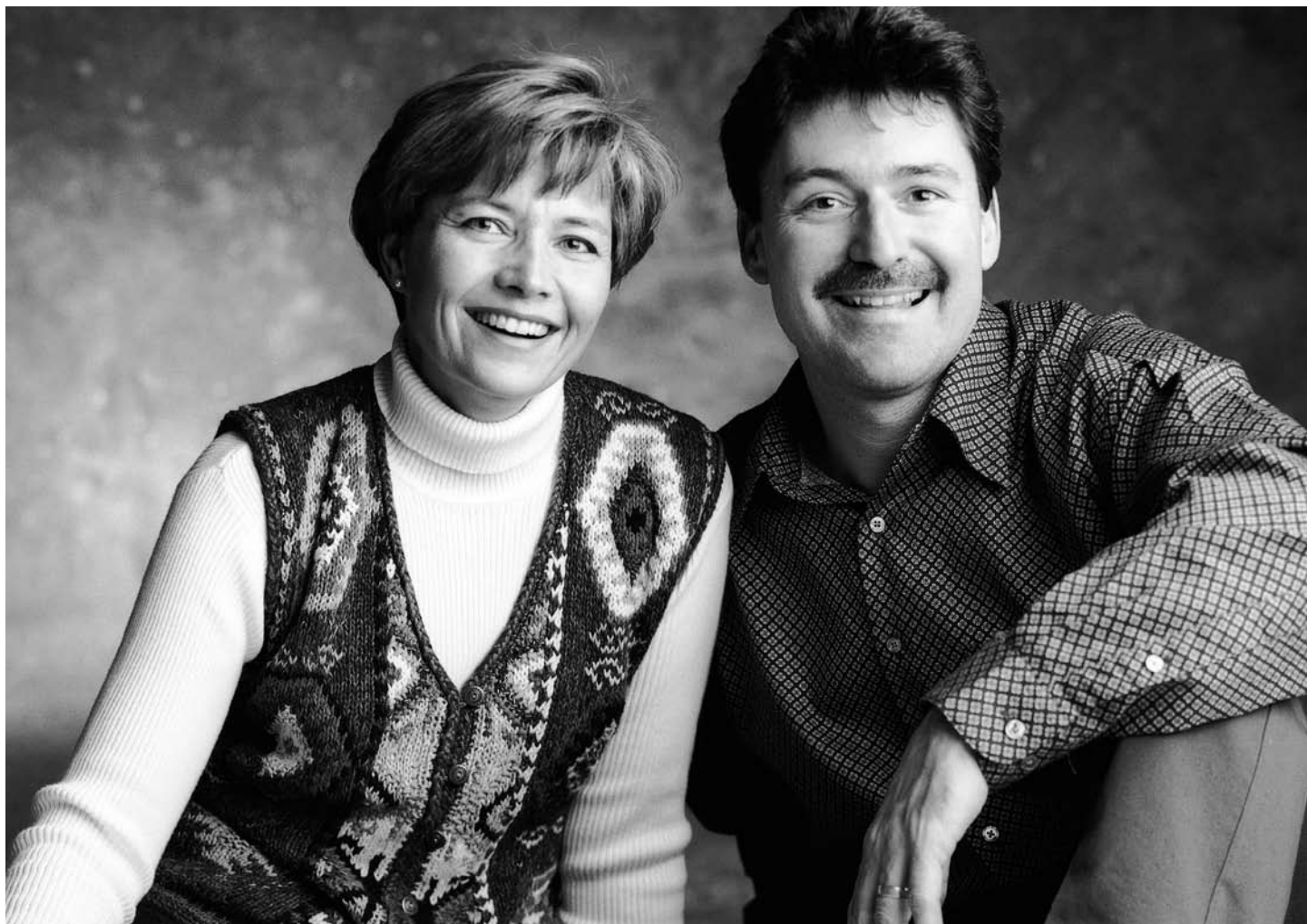
Expense Item: HOUSE REPAIRS/MAINTENANCE		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Expense Item: CLOTHING		Amt / Year: \$2,400	Amt / Month: \$200
DATE	IN	OUT	BALANCE
1/13/08	\$200		\$200
1/31/08		\$45.55	\$154.45

Expense Item: VACATION		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

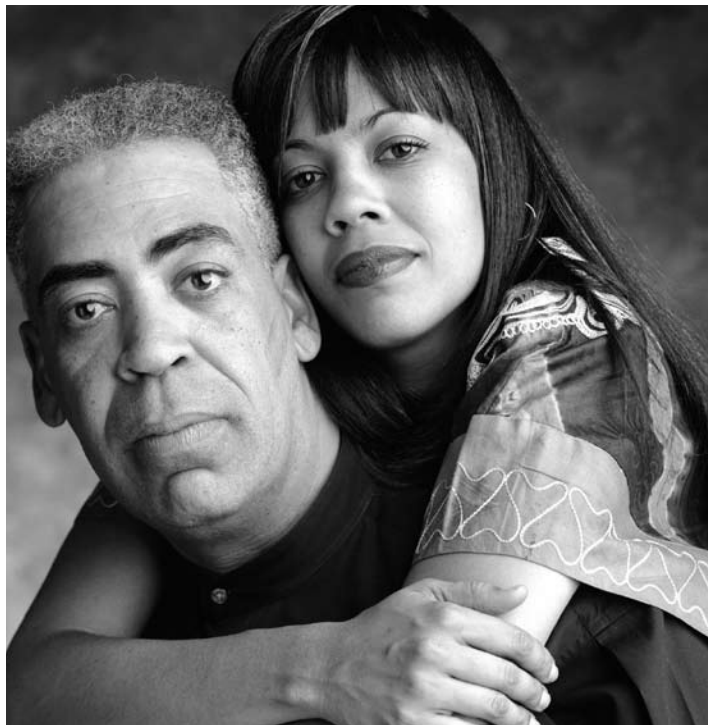
Expense Item: INSURANCE		Amt / Year: \$1,200	Amt / Month: \$100
DATE	IN	OUT	BALANCE
1/13/08	\$100		\$100

Notice a couple of things. First, if you add up the BALANCE in each of the periodic expense worksheets as of January 31st, you'll find the total equals the BALANCE on the MASTER worksheet. Second, the ENTERTAINMENT category has a negative BALANCE of \$10. Don't be alarmed. This will happen in a number of the categories throughout the year. If you did a good job in estimating the yearly expenses in each category, by the end of the year, the BALANCE in each category should be close to \$0 – you will have spent what you planned to.



CREATE YOUR BUDGET

Use all that you've learned so far to set your goals and create your family budget.



GOING FORWARD

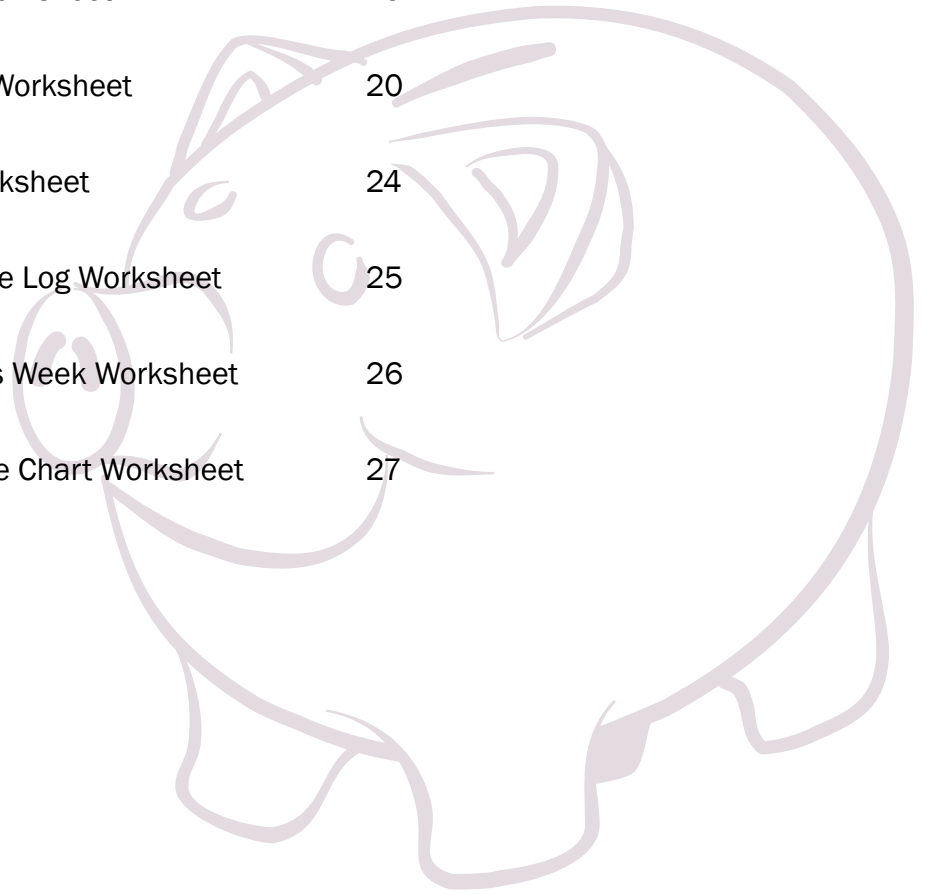
All of the ideas, suggestions and tools presented in this booklet were designed to allow you to enhance your financial well-being by setting goals, creating and maintaining your own balanced personalized family budget and saving to achieve your goals. Budgeting is the key to success. It is not easy. It takes time and commitment. You will face setbacks. Be committed, flexible and adaptable. Make budgeting part of your daily, weekly, monthly and annual routines.

The payoff will be tremendous. As you manage your income and expenses, and your savings are used to achieve your goals, you will get a great sense of satisfaction. Continue learning about all aspects of your personal financial life because money management is a lifelong requirement.

Finally, once you have mastered the process of saving to achieve your goals, share your successful methods with others.

Appendices

Appendix A – Setting Goals Worksheet	19
Appendix B – Annual Budget Worksheet	20
Appendix C – Income Log Worksheet	24
Appendix D – Monthly Expense Log Worksheet	25
Appendix E – What to Pay This Week Worksheet	26
Appendix F – Periodic Expense Chart Worksheet	27



ANNUAL BUDGET

Per Month

SOURCES OF INCOME	AMOUNT (NET)
Employment (Primary)	\$
Employment (Spouse)	\$
Social Security	\$
Pension	\$
Alimony or Child Support	\$
Commissions	\$
Other	\$
Other	\$
TOTAL MONTHLY INCOME	\$

SUMMARY OF EXPENSES	AMOUNT
Housing	
Mortgage	\$
2nd Mortgage	\$
Home Equity Loan/Line	\$
Rent	\$
Property Taxes	\$
Condominium Fee	\$
Homeowners/Renters Insurance	\$
House Repairs/Maintenance	\$
Gardening/Pool Service	\$
Other	\$
Other	\$
TOTAL HOUSING	\$

Utilities	
Gas	\$
Oil	\$
Propane	\$
Electricity	\$
Water/Sewer	\$
Trash Removal	\$
Telephone	\$
Cell Phone	\$
Other	\$
TOTAL UTILITIES	\$

Food	
Groceries	\$
Eating Out Lunch	\$
Dining Out	\$
Coffee/Snacks	\$
Kids Lunch Money	\$
Other	\$
TOTAL FOOD	\$

Transportation	
Auto Payment 1	\$
Auto Payment 2	\$
Auto Payment 3	\$
Gasoline	\$
Insurance	\$
Parking Fees/Tolls	\$
Auto Registration/Plates	\$
Public Transportation	\$
Car Repairs/Maintenance	\$
Other	\$
TOTAL TRANSPORTATION	\$

Health Care	
Health Insurance	\$
Prescriptions	\$
Co-pay/Deductibles	\$
Other	\$
TOTAL HEALTH CARE	\$

Education	
Tuition	\$
Books	\$
Student Loans	\$
Room/Board	\$
Day Care	\$
Newspapers/Magazines	\$
Other	\$
TOTAL EDUCATION	\$

Clothing	
Purchases	\$
Laundry	\$
Dry Cleaning	\$
Repairs	\$
Other	\$
TOTAL CLOTHING	\$

Personal Care	
Beauty Salon/Haircuts	\$
Cosmetics	\$
Manicure/Pedicure	\$
Toiletries	\$
Other	\$
TOTAL PERSONAL CARE	\$

Entertainment	
Cable	\$
Movies	\$
Music	\$
Sports	\$
Hobbies	\$
Internet	\$
Other	\$
Other	\$
TOTAL ENTERTAINMENT	\$

Pets	
Food	\$
Vet	\$
Insurance	\$
Grooming	\$
Other	\$
TOTAL PETS	\$

Other	
Tobacco	\$
Alcohol	\$
Religion	\$
Charity	\$
Lottery	\$
Vacation	\$
Gifts	\$
Other	\$
Other	\$
Other	\$
Other	\$
TOTAL OTHER	\$

Credit Cards	
#1	\$
#2	\$
#3	\$
#4	\$
#5	\$
TOTAL CREDIT CARDS	\$

Savings	
Emergency Savings Account	\$
Other	\$
Other	\$
TOTAL SAVINGS	\$
TOTAL MONTHLY EXPENSES	\$

SUMMARY	
Total Monthly Income	\$
Less - Total Monthly Expenses	\$
Monthly Surplus (Deficit)	\$

WHAT TO PAY THIS WEEK

<p>Date:</p> <p>Checking account balance forward:</p> <p>(PLUS) Income this week:</p> <p>(MINUS) Bills to pay this week:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. <p>(EQUALS) Checking account balance:</p>	<p>Date:</p> <p>Checking account balance forward:</p> <p>(PLUS) Income this week:</p> <p>(MINUS) Bills to pay this week:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. <p>(EQUALS) Checking account balance:</p>
<p>Date:</p> <p>Checking account balance forward:</p> <p>(PLUS) Income this week:</p> <p>(MINUS) Bills to pay this week:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. <p>(EQUALS) Checking account balance:</p>	<p>Date:</p> <p>Checking account balance forward:</p> <p>(PLUS) Income this week:</p> <p>(MINUS) Bills to pay this week:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. <p>(EQUALS) Checking account balance:</p>



SAVING TO ACHIEVE YOUR GOALS

Are you trying to save money to buy a new house or car? Do you want to save money for retirement or educational needs? Would you like to have enough money in a savings account for emergencies? Whether you are already saving or you want to save more, Saving to Achieve Your Goals will help you along with proven tools of budgeting, developing a plan and saving. Remember, it's not how much you earn but how much you spend that keeps you from achieving your goals.



1-877-33-ACCEL
1-877-332-2235
WWW.ACCELSERVICES.ORG