

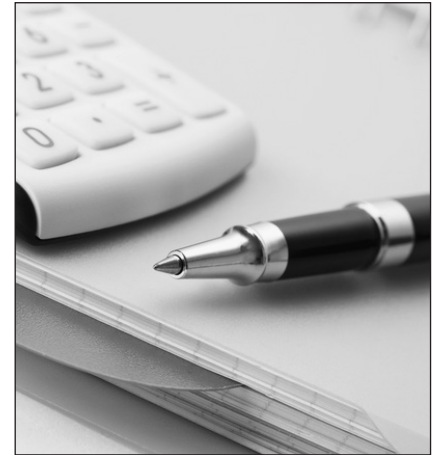
# Stretch Your Dollars

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Because families and individuals are busier than ever, we may neglect financial planning and budgeting, allowing money to slip needlessly away. You may be unaware that your living expenses have exceeded your income.

A budget is necessary to carefully manage your family finances. There are basic steps and procedures that will help you establish financial security.



## Tracking Your Spending

Have you tracked your spending lately? Track it closely for one month. You can use an online form or you can use a notebook.

Decide on your month (or 30 consecutive days) and begin tracking all of your financial information. Track what everyone in the household contributes and spends.

### 1. Begin with income:

- Label one sheet or page “Income for the Month of \_\_\_\_\_.”
- On this page, you will list paychecks (your take-home salary after taxes, benefits and check-cashing fees).
- List any other income (after taxes), such as child support. Be sure to track all income.

### 2. Next, track expenses:

- Label a second sheet or page “Expenses for the Month of \_\_\_\_\_.”
- List everything you spend during the month.

### Expense Categories

Assigning categories will help you organize your expenses and make them easier to track.

#### Housing

- Mortgage or rent
- Renter’s or homeowner’s insurance
- Utilities
- Internet, cable and phone
- Other housing expenses (property taxes, repairs)

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## Food

- Restaurants
- Other food expenses
- Groceries and household supplies

## Transportation

- Gas for car, parking and tolls
- Car maintenance (oil changes, inspections)
- Car insurance
- Car loan payment
- Other transportation expenses

## Health

- Medicine
- Health insurance
- Other (glasses, contact lenses, doctor bills)

## Personal and Family

- Child care
- Child support
- Clothing and shoes
- Laundry
- Donations
- Entertainment (movies, amusement parks)
- Other personal or family expenses (haircuts)

## Finance

- Fees for money orders or cashier's checks
- Prepaid phone cards or other cards
- Bank or credit card fees
- Other fees of any kind

## Other

- School costs (books, supplies, tuition)
- Other payments for credit cards or to savings
- Other expenses not listed above

3. At the end of the month, total all income.
4. Next, add each category of expenses. Then, add together the totals for expense categories to get the final expense for the month.
5. List your total income and subtract the total of your expenses. What is your final number?

If your income is more than your expenses, you have money left to save or spend. If your expenses are more than your income, you will need to look at your budget to find areas to cut expenses.

Don't be alarmed if your family budget reveals a budget deficit. Check that you have not overstated any expenses. Look at your family goals and standards of living; you may have to make adjustments. Are there ways the family can generate more income?

The thought of putting together and following a spending plan can be overwhelming. However, by staying organized and keeping track, you will have information needed to guide financial decisions.

## Savings Suggestions

- When you're thinking about saving money, think of an item you have purchased and ask the following questions:
  - How can I buy it cheaper?
  - How can I make it last longer?
  - How can I use it less?
- Look at your cable/satellite TV expense.
- Take your lunch instead of buying it.
- Skip the high-dollar treats at the theater.
- Skip the specialty drinks.
- If you have a car, take care of it. Get regular oil changes and maintenance.
- Ask your doctor if there are generic brands for your medicines.
- Keep your loose change for savings.
- Use reusable products instead of disposable.
- Buy one good all-purpose cleaning product for use on floors, walls, woodwork and appliances.
- Buy only what clothing you need.
- Have a "nothing week," where you buy nothing extra for the week.
- Ask, do we need this or do we want it?

## Stretch your dollars by:

- Tracking what you spend to give you a solid base for your budget and savings plans.
- Defining a budget that reflects your income.
- Using some suggestions above, identify ways to cut expenses.

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