

Managing Your Money

Money is a limited resource. If you want to get the most for your money, you need to have a **Spending Plan or Budget**.

A spending plan or budget can help you:

- ▶ Get more for your money.
- ▶ Meet your needs for living expenses.
- ▶ Provide future security.
- ▶ Stay out of debt.

Steps in Making a Spending Plan:

- 1. Set your spending goals.** Write down your goals. Figure out how to work towards these goals. Work first on those goals that are most important to your whole family, such as buying a car.
- 2. List your expected income month by month.** Total your income for each month. Write down how much income you think you will have over the next year. List income from all sources.
- 3. List all your expenses for each month.** Look over old bills, receipts or checkbook records to see how you usually spend. Keep track of everything you spend for a month or two. Total your expenses for each month.
- 4. Compare your income to your expenses.** Look at your total income and total expenses.
- 5. Try it! Put your spending plan to work.** Save all the receipts or write down how much you spend. Keep all the receipts in one place. Once a week, record all the receipts under basic spending groups: food, transportation, clothing, etc.

Your spending plan may not work the first time you try it. You may need to make changes to your plan and try again.

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***Making a
spending plan
and sticking
to it can help
your family
live better on
the money
you have.***