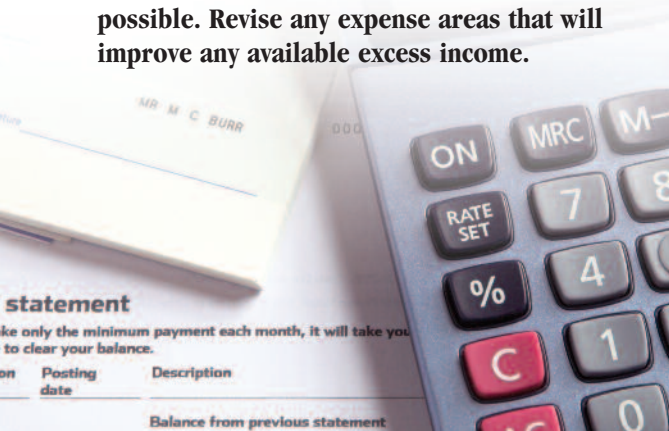


As you can see by completing this exercise, knowing how you are spending your money each month is important. In addition, we hope you identified a variety of expenses that you can reduce or eliminate. We encourage you to review your monthly expenses from time to time to make sure you are spending your money wisely and hopefully make regular deposits to your savings account for unexpected or emergency expenses.

BUDGETING TIPS:

1. Review how you spend your money each month.
2. Cut back on unnecessary expenses.
3. Remember to pay yourself first. Setting aside funds for an unexpected or emergency expense is important.
4. Your budget should be flexible, allow it to work with you AND for you.
5. Revisit your budget every few months to ensure it is working for you as effectively as possible. Revise any expense areas that will improve any available excess income.



United States
SENATE
Federal Credit Union

National Capitol Station
P.O. Box 77920
Washington, DC 20013-8920
(202) 224-2967
(800) 374-2758

www.ussfcu.org

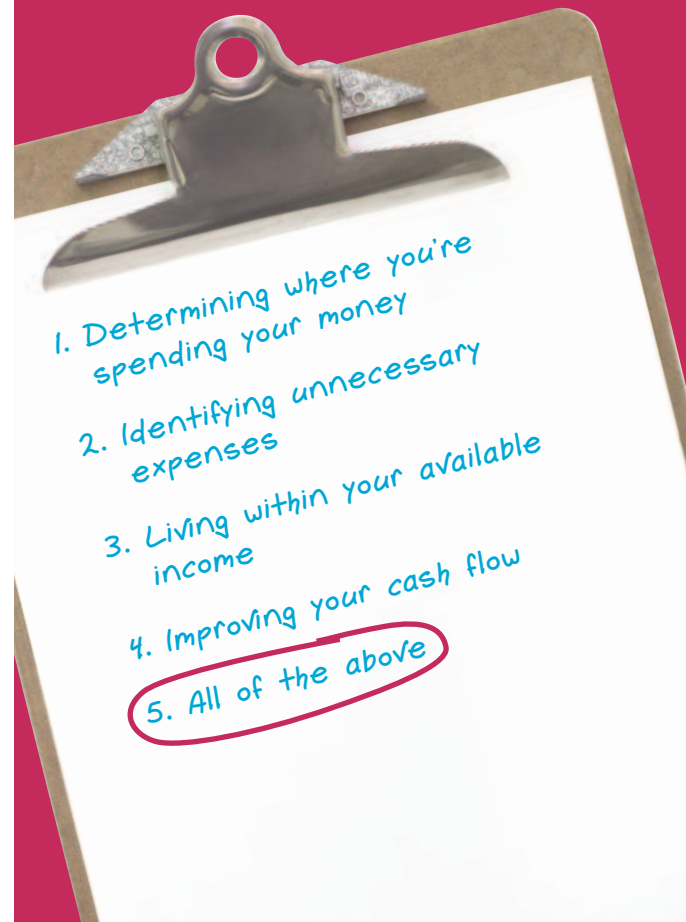


Presented by the National Association of Federal Credit Unions, an independent trade association representing federally chartered credit unions nationwide.

© 2008 National Association of Federal Credit Unions.

SF79-807

WHAT ARE THE BENEFITS OF BUDGETING?



1. Determining where you're spending your money
2. Identifying unnecessary expenses
3. Living within your available income
4. Improving your cash flow
5. All of the above

WHAT IS BUDGETING?

Setting up a budget is simply allocating your income to cover all of your monthly expenses. Developing a budget is smart and will hopefully allow you to pay your monthly expenses and have money left over for savings. If you have never formally budgeted your income, we hope you take this opportunity to develop a budget that will reduce your stress and permit you to purchase the things you need.

Before identifying what you spend your money on, take a few minutes to fill in the following table outlining your net monthly income.

Table 1

Net Monthly Income

(List Amounts You Receive)

Wages, salary and tips	\$ _____
Alimony, child support	\$ _____
Stock and mutual fund dividends	\$ _____
Interest or dividends on checking, savings, and certificates	\$ _____
Social Security benefits	\$ _____
Retirement income	\$ _____
Other income	\$ _____
Net Monthly Income	\$ _____

Now that you have a clear picture of your total monthly income, carefully fill out the chart itemizing your monthly expenses using column A only.

Before beginning we recommend that you make copies of this brochure so that you can use it in the future to review your monthly expenses.

Table 2

Monthly Expense List

	A	B	C
Mortgage payment or rent	\$ _____	\$ _____	\$ _____
Real Estate Taxes	\$ _____	\$ _____	\$ _____
Home or Renters Insurance	\$ _____	\$ _____	\$ _____
Child Care	\$ _____	\$ _____	\$ _____
Health Insurance	\$ _____	\$ _____	\$ _____
Life Insurance	\$ _____	\$ _____	\$ _____
Electricity	\$ _____	\$ _____	\$ _____
Heat	\$ _____	\$ _____	\$ _____
Water	\$ _____	\$ _____	\$ _____
Basic Telephone Service	\$ _____	\$ _____	\$ _____
Cell Phone Service	\$ _____	\$ _____	\$ _____
Telephone Long Distance Cost	\$ _____	\$ _____	\$ _____
Automobile Loan(s)	\$ _____	\$ _____	\$ _____
Automobile Operating Expenses (gasoline, repairs, etc.)	\$ _____	\$ _____	\$ _____
Auto Insurance	\$ _____	\$ _____	\$ _____
Credit Card Accounts (list minimum paid for each credit card)			
Card 1	\$ _____	\$ _____	\$ _____
Card 2	\$ _____	\$ _____	\$ _____
Card 3	\$ _____	\$ _____	\$ _____
Card 4	\$ _____	\$ _____	\$ _____
Food Prepared at Home	\$ _____	\$ _____	\$ _____
Restaurants	\$ _____	\$ _____	\$ _____
Public Transportation	\$ _____	\$ _____	\$ _____
Laundry	\$ _____	\$ _____	\$ _____
Clothing	\$ _____	\$ _____	\$ _____
Education Expenses	\$ _____	\$ _____	\$ _____
Recreation	\$ _____	\$ _____	\$ _____
Other Expenses (list separately)			
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
Total Expenses	\$ _____	\$ _____	\$ _____

Note: If expenses are not incurred every month (e.g. real estate taxes), take annual cost and divide by 12.

Excess Monthly Income I

Net Monthly Income – Total Monthly Expenses = Available Excess Income

_____ – _____ = _____
 (From Table 1) (Use Table 2, Column A)

Don't be alarmed at this point if your monthly expenses nearly equal or exceed your monthly income. The objective of this brochure is to help you get a handle on your expenses so that you will have excess income to save, invest or reduce your debts.

Now let's examine the items on your monthly expense list. Go back to the listing and identify the expenses that are essential in column B. You may find that there are a number of discretionary expenses that, with discipline, can be reduced or eliminated. **Write in the revised monthly expense amounts in column C.**

Next, add the amounts in column C and subtract the total from your net monthly income. If your available excess income increased, you have taken a step forward. The key is to monitor your expenses throughout the month to insure that you stick to your revised budget.

Excess Monthly Income II

Net Monthly Income – Total Monthly Expenses = Available Excess Income

_____ – _____ = _____
 (From Table 1) (Use Table 2, Column C)