

CREATE A BUDGET

THE STATS

According to a survey by Bankrate, Americans are not great at saving money. In fact, at the time of the survey, 60% didn't have \$1,000 in the bank for an emergency. Having \$1,000 saved for emergencies is Baby Step #1 for taking control of your money. But it's hard to save when you have no clue where your money is going each month. That's where your zero-based budget comes in.

THE CHALLENGE

This month's challenge is to create a budget. You should have two months' worth of expenses tracked and categorized. This should give you enough information to start building your budget for the next month. The style of budgeting we are going to be doing is called a zero-based budget, and this information comes from Dave Ramsey's website.

WRITE DOWN YOUR INCOME FOR THE MONTH

If you're going to earn income besides a paycheck (side hustles, child support, tax returns, etc.), write that down too. You're going to be creating a new budget every month.

WRITE DOWN YOUR MONTHLY EXPENSES

This is where your list of categorized expenses comes in handy. Start with food, utilities, shelter and transportation, then move on to the rest of your categories. Don't stop until each dollar you earn is assigned to a category!

WRITE DOWN YOUR SEASONAL EXPENSES

Next, you need to think about your seasonal expenses. Any big purchases for birthdays, holidays, vacations, and anything irregular, like renewing car tags or insurance. These shouldn't be surprises! So decide how much you're spending on these things, and plan to set aside a little bit each month to help cover these expenses.

SUBTRACT INCOME FROM EXPENSES

It needs to be zero. If you have extra money left over, give that extra money a job (building your emergency savings, paying off debt, anything!). If you're spending more than you're making, find places in your budget where you can cut expenses.

NOW... KEEP TRACKING!

For more information and resources, visit:

GATORCARE.ORG/MONEY-2020