



Try It: Making a Spending and Saving Plan

Read the scenario. Use Shelley and Walter's Spending and Saving Plan to complete the table on page 12. Then answer the questions on page 12.

Scenario: Shelley and Walter Make a Spending and Saving Plan

Shelley and Walter recently moved to a new city eight months ago. They both have jobs. Walter also does freelance work on the weekends to bring in some extra cash. Their total net income is \$3,100 per month. They are trying to save money toward an emergency fund, but their savings account is actually decreasing each month. That's because they are withdrawing money to cover expenses. They also would like to start a college fund for their granddaughter.



They have tried to figure out where to save money, but everything seems non-negotiable. The utility bills have surprised them – especially gas in the winter and electric in the summer in their new climate. Shelley's car keeps needing unexpected repairs. And they can't seem to make much headway on paying down their credit card debt. Other costs are stable from month to month, but are essential. For example, the service animal expenses are necessary because Walter is blind.

To better understand their income and expenses, Shelley and Walter completed income and expense logs last month. They used those to complete their spending and saving plan.

Shelley and Walter's Spending and Saving Plan

Their Net Income

Item	Past Monthly Amount	Planned Monthly Amount for April
Net (Take-Home) Pay Job 1	\$2,000	\$2,000
Net (Take-Home) Pay Job 2	\$1,000	\$1,000
Net (Take-Home) Pay Job 3		
Net Self-Employment Income	\$100	\$100
Public Benefit 1:		

Try It: Making a Spending and Saving Plan *continued*

Their Net Income (continued)

Item	Past Monthly Amount	Planned Monthly Amount for April
Public Benefit 2:		
Public Benefit 3:		
Public Benefit 4:		
Interest		
Dividends		
Child Support		
Alimony		
Gifts		
Other:		
Other:		
Other:		
Their Total Net Income	\$3,100	\$3,100

Their Expenses

Item	Past Monthly Amount	Planned Monthly Amount for April
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Their Saving

Saving Toward: Emergency Fund	\$0	\$25
Saving Toward: <i>College Fund for Granddaughter</i>	<i>\$0</i>	<i>\$25</i>
Saving Toward:		

Their Sharing

Sharing with Family and Friends		
Charitable Contributions	\$15	\$15
Other:		
Other:		

Try It: Making a Spending and Saving Plan *continued*

Their Expenses (continued)

Item	Past Monthly Amount	Planned Monthly Amount for April
Their Spending		
Rent / Mortgage Payment	\$600	\$600
Property Taxes / Insurance		
Water	\$15	\$15
Electric	\$75	\$75
Gas / Oil	\$75	\$75
Trash Collection	\$20	\$20
Telephone (Cell and Land-Line)	\$75	\$75
Internet	\$65	\$65
Cable / Satellite / TV Viewing Services	\$125	\$125
Car/Truck Payment	\$200	\$200
Car/Truck Insurance	\$150	\$150
Car/Truck Maintenance and Repair	\$250	\$250
Car/Truck Fuel	\$100	\$100
Public Transportation		
Health Insurance (portion not covered by employer or taken out of gross pay)		
Other Healthcare Expenses	\$50	\$50
Student Loan Payments		
Credit Card Debt Payments	\$150	\$150
Other Debt Payments		
Personal Care Attendant		
Eldercare		

Try It: Making a Spending and Saving Plan *continued*

Their Expenses (continued)

Item	Past Monthly Amount	Planned Monthly Amount for April
Childcare / Child Support Payments		
Groceries and Household Supplies	\$300	\$300
Eating Out or Take-Out	\$200	\$200
Service Animal Expenses	\$200	\$200
Pet Care		
Personal Expenses	\$150	\$150
Entertainment	\$300	\$300
Other:		
Other:		
Other:		
Their Total Expenses (add up rows above)	\$3,115	\$3,165

COMPLETE THIS TABLE:

Comparison of Their Total Net Income and Their Total Expenses

Item	Amount
Their Total Net Income	<i>Fill In:</i>
Their Total Expenses for April	<i>Fill In:</i>
Difference (Their Total Net Income minus Their Total Expenses)	<i>Calculate:</i> \$ 0

ANSWER THESE QUESTIONS:

Does Shelley and Walter's spending and saving plan show that their income will cover their expenses?

Yes No

\$ 0

What is the difference? _____

We will come back to Shelley and Walter's spending and saving plan in a little while to try to find ways they can adjust their income and expenses. We are not doing that in this "Apply It" right now.



Apply It: Using My Spending and Saving Plan

There are several ways to actively use your spending and saving plan throughout the month to gain control over how you use your money.

Check the daily, weekly, and monthly spending and saving activities you want to try. If you have other ideas, add them.



Daily

- Record your saving, sharing, and spending.** Saving your receipts is a good first step. In addition to using receipts to track your uses of income, you can also use them when you review your monthly statements.
- Collect your change.** Drop your spare change into a jar. This can help you build savings and keep your pockets or purse free of loose change.
- My other ideas:**

Apply It: Using My Spending and Saving Plan *continued***Weekly**

- Putting limits on spending using the envelope system.** Label envelopes for categories of spending that you want to limit. Using your spending and saving plan, estimate how much you will need for each category for a week. Put those amounts in your envelopes at the beginning of each week. Use only what is in the envelopes for your spending.

The spending and saving plan represents a full month. You can estimate weekly amounts for types of spending by multiplying the monthly amount by 12 (months in a year) and then dividing that number by 52 (weeks in a year). Or, for a quick estimate, divide the monthly amount by four.

- Establish a weekly money check-in.** Set aside a convenient time and day of the week for you and other members of your household to review your actual spending against your spending and saving plan. Adjust your spending and/or your plan for the next week. You can also use this time to pay your bills.

- My other ideas:**