

Reevaluate your budget



Following a monthly budget is one of the best ways to manage your finances. A budget provides a clear picture of where your money comes from and where it is going.

Budgets change over time. Changes in your income, expenses, or spending can create an imbalance or even a surplus. If it's been a while since you reviewed your budget, it may be time for a checkup.



RECORD ALL INCOME

Add up all your sources of income in a month. These can include paychecks, child support, and government benefits. The total of all money coming in counts as income, whether it came from a traditional paycheck or not.

RECORD ALL EXPENSES

Add up all the bills you must pay. These include housing costs, car payments, utility and phone bills, child support, debt payments, etc. Most bills are recurring each month.

EVALUATE SPENDING

In addition to bills, you also need to allocate money for food, gas, and sundries. This is where spending can quickly get out of control. Review three to six months of spending in each category and determine what a reasonable monthly amount should be.



CONSIDER SAVING GOALS

Assess the state of your savings. Ideally, you should have several months of expenses in a savings account as a safety net. Determine if you need to allocate more money in this area.

MAKE A LONG-TERM PLAN

Financial stability requires long-term thinking. Reflect on your long-term financial goals such as college savings, retirement, or big expenses. Is your current budget working?

ADJUST BUDGET

Using the information you've gathered, update your budget to accurately reflect your current income and expenses. If you have extra at the end of the month, consider increasing your saving goals or long-term financial plans.