

# Budgeting Steps & Tips



**novadebt**

A Garden State Consumer Credit Counseling Organization



Welcome to Novadebt! Enclosed is a program that will help you achieve financial stability.

The information provided here will allow you to set goals for the future, understand where you are right now, and help you make changes in your situation to meet the goals you set. This can be the key to your financial stability and success!

Once you have completed the worksheets you will be on your way to establishing a budget that suits your needs. A successful budget takes time and patience, yet has many rewards. Follow the steps carefully and remember we are here to help you along the way. Our counselors can help you by taking a more in-depth look at your situation and give you suggestions that may be of further assistance to you.

Novadebt is a non-profit, social service agency, providing education workshops, budget counseling, housing counseling, bankruptcy counseling, bankruptcy education, and credit counseling services. Novadebt is licensed by the New Jersey Department of Banking and is a member of the Better Business Bureau. Our agency is also a member of the Association of Independent Consumer Credit Counseling Agencies and all of our counselors are certified.

If you have any questions, contact us at 1-800-99-BILLS.

225 Willowbrook Road • Freehold, NJ 07728 • Phone: 732-409-6281 or 800-992-4557 • Fax: 732-863-5040





## WHERE DO YOU WANT TO BE?

A budget can help you meet your goals in life! Your goals might include buying a home, paying for college, saving for a vacation, or simply paying all of your bills on time each month. Setting your goals will help you to make sure that all of your wants and needs are included in your budget.

### Let's begin by setting some goals!

Your goals should be **SMART**: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime Related. Remember that some goals are short term, like purchasing a great new pair of shoes and some might be long-term, like buying a home. Following the example, use the chart below to list your personal goals. We started you out with purchasing a car, since most people will need to buy one sometime in the future. Even if you just bought a car, you can plan for your next purchase.

GOAL	WHEN?	COST?	COST PER MONTH	COST PER PAYCHECK
<i>Purchase Car</i>	<i>5 years</i>	<i>\$20,000</i>	<i>\$301</i>	<i>\$150.50</i>
<b>TOTAL</b>				



Transfer the total you want to save each month to the **SAVINGS FOR GOALS** box on the budget, **PAGE 5**.

Don't forget to include an emergency fund and revolving savings account. Without these, you're unlikely to be able to reach your other goals.

**EMERGENCY FUND:** An emergency fund is where you set money aside each month to pay for unexpected expenses. These can be small things like an unanticipated medical bill or a major expense like replacing your income if you lose your job. Consider it just as any other expense in your budget and make sure to set money aside each payday. You can jump start your emergency fund using a holiday gift or tax refund.

**REVOLVING SAVINGS:** Another important part of your budget is a revolving savings account. This is an account where you can set aside money for non-monthly expenses. For example, if your car insurance is \$300 quarterly, you can set aside \$100/month in your revolving savings account so that you know you'll have the money for your insurance when it comes due. This type of an account can also be used for car repairs, gifts, or vacations.

Other common goals are getting out of debt, saving for retirement, purchasing your next car, buying a home, or paying for college. In order to achieve your goals, you'll have to determine where you are right now and what steps you need to take to reach your goals.





## WHERE ARE YOU NOW?

**STEP 1:** You may need to gather some figures- pull together your pay stubs, credit card statements, mortgage statements, and any other monthly bills so that you can refer to them when completing the worksheets.

**STEP 2:** In order to get a better idea of where your money is going, you may want to track your expenses. We can provide you with a tracking booklet. Here, you can write down everything you spend money on each day. You might surprise yourself with some of your spending habits! Do this for at least a month.

**STEP 3:** List all of your monthly expenses using the chart on page 5. **\*\*NOTE:** Don't forget to include non-monthly expenses. Just add up the total expense for the year and divide by 12.

**STEP 4:** Figure out your net monthly income. Your net monthly income is what you have left over after all deductions. If you're self employed and need assistance figuring out what your net income is, we can help you.

**TRANSFER THIS NUMBER TO THE BOX FOR MONTHLY INCOME ON PAGE 6.**



## Your Expenses

<b>HOUSING</b>		
Rent/Mortgage	\$	Interest Rate %
Second Mortgage	\$	Interest Rate %
Taxes/Insurance	\$	
Other:	\$	
<b>UTILITIES</b>		
Electric	\$	
Gas/Oil	\$	
Water/Sewer	\$	
Home Phone	\$	
Cable/Satellite	\$	
Internet	\$	
Cell Phone	\$	
Other:	\$	
<b>TRANSPORTATION</b>		
Car Loan/Lease	\$	Interest Rate %
Car Loan/Lease	\$	Interest Rate %
Gasoline	\$	
Maintenance	\$	
Auto Insurance	\$	
<b>FOOD &amp; HOUSEHOLD GOODS</b>		
Groceries	\$	
Other:	\$	
<b>INSURANCE</b> (Unless deducted from paycheck)		
Medical	\$	
Life	\$	
<b>DEPENDANTS</b>		
Childcare	\$	
Child Support/Alimony	\$	
Tuition	\$	
Other:	\$	
<b>MEDICAL</b>		
Doctor/Dentist Bills	\$	
Prescriptions	\$	
<b>SAVINGS</b>		
Emergency Fund	\$	
Revolving Savings	\$	
Other	\$	
<b>Savings for Goals</b> (Transferred from previous page)	<input type="text"/>	
<b>Column 1 SUBTOTAL</b>	<b>\$</b>	

<b>MISCELLANEOUS</b>		
Haircuts/Manicures	\$	
Gym Membership/ Sports/Hobbies	\$	
Entertainment/ Restaurants	\$	
Coffee/Cigarettes	\$	
Religious Donations	\$	
Other:	\$	
<b>SECURED/INSTALLMENT LOANS</b>		
Loan 1:	\$	Interest Rate %
Loan 2:	\$	Interest Rate %
Student Loan	\$	Interest Rate %
Back Tax Payments	\$	
<b>CREDIT CARDS</b>		
Name of Creditor	Payment	Interest Rate
1.	\$	%
2.	\$	%
3.	\$	%
4.	\$	%
5.	\$	%
6.	\$	%
7.	\$	%
8.	\$	%
9.	\$	%
10.	\$	%
<b>Column 2 SUBTOTAL</b>	<b>\$</b>	
<b>Column 1 SUBTOTAL</b>	<b>\$</b>	
<b>TOTAL MONTHLY EXPENSES</b>	<b>\$</b> <input type="text"/>	
Transfer your total from this box to the MONTHLY EXPENSES box on <b>page 6.</b>		



## INSTRUCTIONS:

**Subtract your expenses from your monthly income to figure out what's left over.** If this number is positive, you can use the money for additional saving or spending. BUT, if your budget is short, this means that you are spending more than you are bringing in! You may be subsidizing your regular expenses with credit. When you do this you're saying that you're purchasing something now and that there will be extra money in the future to pay it back. If that's not true, your budget is not working. You will need to reduce your expenses or increase your income to close the gap.

<b>MONTHLY INCOME</b> \$	-	<b>MONTHLY EXPENSES</b> \$	=	<b>WHAT'S LEFT OVER</b> \$
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## THERE ARE ONLY THREE WAYS TO CHANGE YOUR BUDGET.

Here are some ideas for ways to decrease expenses, increase your income or sell assets. These are only a few suggestions for more help with changing your budget, contact a credit counselor at 1-800-99-BILLS.

### REDUCE YOUR EXPENSES

#### HOUSING AND UTILITIES

- If you are struggling to make your mortgage payments, contact Novadebt's Housing Department at (866) 472-4557 for assistance.
- Consider getting a roommate to help offset living expenses.
- Look into a budget billing program for electric and gas bills.
- Reduce your cell phone plan- get less minutes and arrange to make calls during nights and weekends. Consider disconnecting your home phone if you have cell phones or vice versa.
- Think about how much television you watch and eliminate extra channels.
- Ask your electric or gas company to do an "energy audit". Usually this is a low-cost or free service where they can help you to find and stop energy "leaks".

#### INSURANCE

- Increase your deductibles to lower your premiums.
- Shop your car insurance. Check out [www.insure.com](http://www.insure.com) to compare rates.

#### FOOD AND HOUSEHOLD EXPENSES

- Plan your meals ahead of time and make a list.
- Reduce eating out.
- Look into free or low cost food programs in your community. Find one near you by calling 2-1-1.
- Clip coupons- or try online coupons at [www.coupons.com](http://www.coupons.com)
- Cooking from scratch is cheaper than eating prepared foods.

#### MISCELLANEOUS

- If you have medical bills, discuss your situation with the doctor or hospital to find out about a payment schedule- they usually don't charge you interest.
- If you have student loans, ask about a deferment or forbearance. You may also be eligible for lower payments through the Income-Based Repayment Program. Go to [www.ibrinfo.org](http://www.ibrinfo.org) for more information.
- Track your expenses! By writing down everything you spend money on, you may see even more areas where you can cut back.

### INCREASE YOUR INCOME

- Utilize job searching websites like [www.indeed.com](http://www.indeed.com) or [www.servicelocator.org](http://www.servicelocator.org).
- Look into re-training for a career where there are more available jobs.
- Check out temp agencies.
- Get a part-time or seasonal job.
- If you get a tax refund, change your federal withholding to get more money in each paycheck.
- Have your older children or non-working spouse find work to contribute to the household.
- If you're eligible, apply for public benefits like food stamps, WIC, and cash assistance.

### SELL ASSETS

- If you can get at least what you owe for it, consider selling your home and moving into a cheaper living situation (rent an apartment or live with family).
- If you're upside-down in your home, you still may be able to sell it in a 'short sale'. Contact our housing department at 866-472-4557 to find out more information.
- Sell non-essential property like a boat, RV, motorcycle, or land.
- Consider if you need all of your vehicles. Could you get by with one car? If so, you could reduce your transportation costs, including insurance and gasoline.





## OFFICE LOCATIONS:

### **Dallas**

17440 N. Dallas Pkwy,  
Suite 134  
Dallas, TX 75287

### **Chico**

1074 East Avenue  
Suite A-2  
Chico, CA 95926

### **Farmington Hills (Metro-Detroit)**

28124 Orchard Lake Road  
Suite 102  
Farmington Hills, MI 48334

### **Freehold**

225 Willowbrook Rd  
Freehold, NJ 07728

### **Henderson - Horizon Ridge**

2298 West Horizon Ridge Parkway  
Suite 109  
Henderson, NV 89052

### **North Carolina**

4917 Waters Edge Dr.,  
Suite 240  
Raleigh, NC 27606

### **Roseville**

1700 W. Highway 36  
Suite 301  
Roseville, MN 55113

### **San Diego**

2655 Camino del Rio North,  
Suite 120  
San Diego, CA 92108

[www.novadebt.org](http://www.novadebt.org)

