# **Eight Easy Exercises for Financial Fitness**

### **Plan Your Spending**



A spending plan puts you in charge of your money. It will help you reach your financial goals.

These exercises will help you make a spending plan that works for you.

# **Fixed Spending**

Write down amounts you spend each month on each of the following:

•	Savings (Pay				
•	Rent/Mortgage				
•	Utilities	Electricity			
		Gas/Propane/Oil			
		Internet			
		Phone			
		Trash			
		Water			
		Other			
•	Child Care/Ch				
•	Insurance (if p				
	Туре				
•	Car Payment				
•	Other				
•	Debt Paymen	ts			
		TOTAL (A)			

# Flexible Spending

Write down the amount you think you spend each month on each flexible expense.

	TOTAL (B)	
•	Other	
•	Other	
•	Pets	
•	Entertainment	
•	Allowances for self/children	
•	Personal Care	
	care (laundry/dry cleaning)	
	purchases	
•	Clothing	
•	Medications/Medical	
	gas/bus/taxi repairs	
•	Transportation	
•	Phone	
•	Household operations (cleaning supplies, paper products, etc.)	
	away from home	
•	Food at home	

### **OCCASIONAL**

	ITEM	Jan.	Feb.	March	Apr.	May
Automobile	License					
	Inspection					
	Oil Change/Maintenance					
	Insurance (if not monthly)					
Home	Repairs/Maintenance/Yard					
	Insurance (Home Owner's/Renter's)					
	Furnishings					
Holidays/Birthdays	Gifts/Cards					
Vacation	Travel					
Entertainment	Entertaining/Parties					
Medical	Doctor Visits					
	Dental					
	Prescriptions					
	Vision					
School	Fees/Tuition					
	Supplies/Books					
	Class Trips/Pictures/etc.					
Dues/Subscription	Magazines/Papers					
	CDs, Book clubs					
	Memberships/Clubs					
Clothes/Shoes	Children					
	Adults					
Other						
Other						
Total						

#### OHIO STATE UNIVERSITY EXTENSION

#### **SPENDING**

June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Yearly Totals
Δ	MOUN	T TO SI	T ASID	E EACH	I MONT	H (C)	

 Enter the amounts you spend on items paid for occasionally under the months that you pay them.

> If months that you pay are not known, enter the amount under yearly total.

- 2. Add across each row to find the total yearly cost of each item.
- 3. Add figures in yearly totals column to determine total amount needed for irregular expenses.
- 4. Divide by 12 to determine how much to set aside each month for the expenses.

### **Set Aside for Emergencies**

An emergency fund can reduce stress if something completely unexpected happens:

- your income decreases
- you have an accident or illness
- your car breaks down

How much money do you need in your emergency fund?

- 1 month's basic expenses
  \_\_\_\_\_\_
- 1 3 month's rent plus other basic expenses \_\_\_\_\_

How much can you set aside each month for emergencies?

(D) \_\_\_\_\_

### **Set Aside for Things You Want**

Think about your financial goals. Be specific and set a date you want to reach each one so you will know how much money you must save each month. Choose goals you can accomplish without being frustrated. You will enjoy a feeling of accomplishment as you reach them.

For example, if in three to six months you want to:

- pay off \$300 in credit card debt,
- save \$250 for tuition for a class, or
- buy three tickets to an amusement park

and in six months to one year, you want to:

- save \$1,000 for a down payment on a used car, or
- save \$600 for a vacation with your family,

you might want to make a chart like the one below to start saving for goals. Fill in the chart with your personal financial goals.

Your Personal Financial Goals	Target Date	Number of Months to Date	Total Needed	\$\$ to Save Monthly
1				
2				
3				
4				
5				

# Add Up Take Home Income (After Taxes)

Income earned each month:	
<ul> <li>Wages</li> </ul>	
• Tips	
Total Earned (a)	
Other monthly income:	
<ul> <li>Child Support</li> </ul>	
<ul> <li>Social Security</li> </ul>	
<ul> <li>Unemployment</li> </ul>	
<ul> <li>Food Assistance</li> </ul>	
<ul> <li>Cash Assistance</li> </ul>	
• Gifts	
<ul> <li>Alimony</li> </ul>	
<ul> <li>Interest</li> </ul>	
<ul> <li>Other</li> </ul>	
Total Other (b)	
Total Income F (a + b)	

#### **Balance the Bottom Line**

Income: (F p. 8)						
Expenses:						
\$ fixed (A p. 2)						
\$ flexible (B p. 3)						
\$ occasional (C p. 4)						
\$ emergencies (D p. 6)						
\$ goals (E p. 7)						
Total:						
Difference:						

Do your income and expenses match?

Do you need to make changes to make your spending plan work?

## Making the Spending Plan Balance

- Increase Income
- Reduce Expenses
- Catch Spending Leaks
- Sign up for the Earned Income Credit and/or Child Tax Credit
- Consider Gifts from Family
- Barter for Services

#### **Take Action**

Once you have a beginning plan, you can use it to help you on the road to financial fitness.

To become financially fit, I will start with the following actions:

I			
2			
3			

You may want to use one of the following Ohio State University Extension resources to help you. They may be available from your local OSU Extension office.

- Counting Your Money Calendar, HEMG001
- Budget-in-a-Box Envelope Set, HEMG003
- Budget-in-a-Box Tip Sheets, HEMG004
- In Over Your Head: Life Saving Strategies for Financial Crisis, Bulletin 891

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