Financial Guide for Reentry

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This guide is designed to help you build a strong financial foundation after your release. It covers the essentials of personal finance, investments, credit, and more. Take the time to review each section and use the recommended resources to plan a secure and successful future.

# Luke 16:10-11 *"Whoever is faithful in very little is also faithful in much, and whoever is dishonest in very little is also dishonest in much. So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches?"*

# Proverbs 27:23-24 *"Be sure you know the condition of your flocks, give careful attention to your herds; for riches do not endure forever, and a crown is not secure for all generations."*

# 1. Budgeting

Budgeting is the process of creating a plan to spend your money. This ensures you can pay for essentials like food, housing, and transportation while also saving for the future.

Steps to create a budget:

1. Track your income and expenses.

2. Categorize your spending (housing, food, transportation, etc.).

3. Set spending limits for each category.

4. Review and adjust your budget monthly.

Helpful tips:

**1. The 50/30/20 Rule**

A popular and simple budgeting rule:

* **50% Needs** – Rent, food, utilities, transportation, health insurance.
* **30% Wants** – Dining out, entertainment, hobbies, vacations.
* **20% Savings & Debt Repayment** – Emergency fund, retirement, paying off loans or credit cards.

This rule helps create balance between living now and planning for the future.

**2. Pay Yourself First**

* Before spending on anything else, **put money into savings**.
* Automatically transfer a set amount into your savings or Roth IRA each time you get paid.
* Helps build the habit of saving consistently.

**3. Track Every Dollar**

* Record all your spending—manually, with a spreadsheet, or using budgeting apps (e.g., Mint, EveryDollar, YNAB).
* Awareness is the first step to control.

**4. Review and Adjust Monthly**

* Budgeting isn’t one-and-done—review your budget monthly.
* Adjust for unexpected expenses or changes in income.
* Celebrate small wins to stay motivated.

**5. Avoid Lifestyle Inflation**

* As income grows, don’t automatically increase spending.
* Keep your lifestyle stable while increasing your savings and investments.

Here's a **simple, realistic example budget** based on someone earning **$2,500/month (after taxes**:

**Monthly Budget: $2,500 Income**

| **Category** | **Amount** | **% of Income** | **Notes** |
| --- | --- | --- | --- |
| **Needs (50%)** | **$1,250** | **50%** | **Rent, utilities, groceries, gas** |
| - Rent | $800 |  | Shared housing or subsidized housing |
| - Utilities & Phone | $150 |  | Electricity, water, cell plan |
| - Groceries | $200 |  | Home-cooked meals |
| - Transportation | $100 |  | Bus pass or gas |
| **Wants (30%)** | **$750** | **30%** | **Entertainment, dining, personal items** |
| - Dining Out | $100 |  | Occasional meals out |
| - Entertainment | $100 |  | Streaming, movies, hobbies |
| - Clothing/Personal Care | $100 |  | Toiletries, haircut, etc. |
| - Fun Money/Spending | $150 |  | Misc. small purchases |
| - Emergency Cushion | $300 |  | In case a need goes over budget |
| **Savings & Debt (20%)** | **$500** | **20%** | **Emergency fund, Roth IRA, debt payoff** |
| - Emergency Savings | $200 |  | Until 3–6 months of expenses saved |
| - Roth IRA | $100 |  | For retirement (tax-free growth) |
| - Debt Payments | $200 |  | Credit card or loan payoff |

**Budgeting Tips**

* Use free apps like **Mint**, **EveryDollar**, or **GoodBudget** to track.
* If income fluctuates, budget based on your lowest-earning month.
* Set small savings goals (e.g., save $25/week).
* Avoid large fixed bills that limit flexibility.

# 2. Opening a Bank Account

A checking account helps you manage your daily expenses, while a savings account helps you save money for future needs.

To open a bank account, you typically need:

* - A valid form of ID (state ID or driver’s license)
* - Social Security Number
* - Proof of address (a bill or government correspondence)

Here are some **good basic bank accounts**—including checking and savings—that are known for being beginner-friendly, low-fee, and accessible for people rebuilding finances (such as those recently released from prison):

* **Best Basic Checking Accounts**

1. **Chime Checking Account**
   * No monthly fees
   * No minimum balance
   * Free debit card
   * Early direct deposit
   * Mobile-only (no physical branches)
   * Great for: ease of use, no fees
2. **Capital One 360 Checking**
   * No monthly fees or overdraft fees
   * Free online bill pay
   * Mobile app + some physical branches
   * Great for: those who want flexibility with a physical bank
3. **Wells Fargo Everyday Checking**
   * $10 monthly fee (can be waived with $500 direct deposit or $500 balance)
   * Nationwide physical locations
   * Great for: people who need in-person service and don’t mind working with a major bank
4. **Ally Bank Interest Checking**
   * No monthly fees
   * Earns interest
   * Mobile app only (no branches)
   * Great for: people comfortable banking online and want to earn interest

* **Best Basic Savings Accounts**

1. **Capital One 360 Performance Savings**
   * No monthly fee
   * High interest rate (~4.25% APY as of mid-2025)
   * Easy to open online
   * Great for: growing emergency savings
2. **Ally Online Savings**
   * No minimum deposit
   * Competitive interest (~4% APY)
   * Offers savings tools like “buckets” for goals
   * Great for: first-time savers
3. **Discover Online Savings**
   * No monthly fees
   * Competitive interest
   * Excellent customer service
   * Great for: trustworthy brand and high savings rate

* **Credit Unions (Local or National)**
* Credit unions often offer **low fees**, better service, and easier account approval.
* Look for:
  + **Alliant Credit Union** – online with good savings rates
  + **Local credit unions** that serve reentry programs or your area
* Great for: personal service, lower rates on loans, fewer overdraft penalties
* **What to Look for in a Basic Bank Account**
* **No or low monthly fees**
* **Free debit card**
* **FDIC or NCUA insured**
* **Good mobile app**
* **Clear overdraft policy**

# 3. Understanding Credit Cards and Credit Scores

A credit card allows you to borrow money up to a certain limit. Using it responsibly helps build your credit score.

Tips for building good credit:

* - Pay your bills on time.
* - Keep your credit utilization low.
* - Check your credit report regularly (annualcreditreport.com).

Credit Score Ranges:

* 300–579: Poor
* 580–669: Fair
* 670–739: Good
* 740–799: Very Good
* 800–850: Excellent

You can check your credit **for free** and **without hurting your score**—and it’s a smart habit to do it regularly. Here's how:

* **How to Check Your Credit**
* **AnnualCreditReport.com (Official and Free)**
* This is the **only federally authorized site** to get free credit reports from:
  + **Equifax**
  + **Experian**
  + **TransUnion**
* You can now request your report from each bureau **once per week** (as of 2025, post-COVID changes made this permanent).
* Website: <https://www.annualcreditreport.com>
* **Free Credit Monitoring Apps**
* These don’t give full reports, but show your credit **score and summary**:
* **Credit Karma** (TransUnion & Equifax)
* **Credit Sesame**
* **Experian App**
* These are free, easy to use, and include tools for improving your credit.
* **Banks & Credit Cards**
* Many banks and credit cards (like Capital One, Discover, Chase) offer **free credit scores** as part of their service.
* **How Often Should You Check Your Credit?**
* **Full credit report:** At least **once every 4 months** (rotate among the 3 bureaus to space them out).
* **Credit score (via app or bank):** **Monthly** or even weekly is fine.
* **If applying for a loan or job that checks credit:** Check a few weeks beforehand.
* **What to Look For**
* Errors or accounts that don’t belong to you
* Late payments or collections
* Old debts that should’ve dropped off
* Signs of identity theft
* **What If You Spot a Mistake?**
* Dispute it directly with the credit bureau online:
  + **Equifax**: equifax.com
  + **Experian**: experian.com
  + **TransUnion**: transunion.com
* Include supporting documents and explain the issue clearly.

# 4. Saving for the Future: Savings Accounts, Roth IRAs, IRAs, and 401(k)s

Here are common ways to save money and invest for the future:

* Savings Account: A basic place to save money and earn a small amount of interest.
* Roth IRA: A retirement account where you pay taxes now and withdraw money tax-free in retirement.
* Traditional IRA: A retirement account where you may pay less in taxes now, but will pay taxes on withdrawals later.
* 401(k): A retirement account offered by many employers, often with matching contributions.

# 5. Investing Basics

Investing helps grow your wealth over time. Start by learning about stocks, bonds, and mutual funds. You don’t need a lot of money to begin investing—many apps allow you to start with as little as $5.

**1. How to Open a Savings Account**

* **What You Need:**
  + **Valid government-issued ID** (driver’s license, state ID, or prison release ID)
  + **Social Security Number (SSN)**
  + **Mailing address**
  + **Opening deposit** (as low as $0–$50 at most banks)
* **Steps:**

1. **Choose a bank or credit union**  
   Look for one with no fees, no minimums, and good savings interest (APY).
2. **Apply online or in person**  
   If you're unsure, visit a physical branch for help.
3. **Provide your information**  
   Submit ID, SSN, and address. Be honest—banks often work with people rebuilding credit.
4. **Deposit funds**  
   Start with what you can—$20 is enough to begin saving.
5. **Set up online banking**  
   Track your balance and transfer money from checking to savings regularly.

**2. How to Open a Roth IRA (Individual Retirement Account)**

* **Requirements:**
* **You must have earned income** (like wages from a job)
* **You must be under the income limits** (in 2025: under ~$153,000 for individuals)
* **Steps:**

1. **Choose a provider**  
   Great beginner options:
   * **Fidelity** (no account minimums, good customer service)
   * **Charles Schwab**
   * **Vanguard**
   * **Betterment or Wealthfront** (automated investing)
2. **Create an account online**
   * Choose “Roth IRA” when prompted
   * Provide your SSN, address, employment info, and bank details
3. **Fund the account**
   * Link your bank account
   * You can start with as little as $25 (max is $7,000/year if you're under 50)
4. **Choose your investments**
   * Start simple with **target date retirement funds** or **index funds** like S&P 500
   * These grow over time and require little maintenance
5. **Set up automatic contributions**
   * $25/month adds up over time!
   * Contributions to a Roth IRA grow **tax-free** and can be withdrawn **penalty-free after age 59½**

**3. How to Open a Traditional IRA**

* This process is nearly identical to a Roth IRA, but the **tax benefits are different**:
* **You may get a tax deduction now**, but you’ll **pay taxes when you withdraw the money** in retirement.
* Best for people who want to lower their taxable income **now**.
* **Steps:**

Same as Roth IRA:

1. Pick a provider (Fidelity, Vanguard, etc.)
2. Open a **Traditional IRA** account online
3. Provide ID, income, SSN, etc.
4. Fund the account and choose your investments
5. Contribute regularly

**Key Differences: Roth IRA vs Traditional IRA**

| **Feature** | **Roth IRA** | **Traditional IRA** |
| --- | --- | --- |
| **Tax Treatment** | Pay taxes now, grow tax-free | Deduct now, pay taxes in retirement |
| **Withdrawal Rules** | Tax-free after 59½ | Taxed after 59½ |
| **Income Limits** | Yes | No (but may affect tax deduction) |

# 6. Loans and Financing

Loans can help with big purchases, like a car or education. However, they must be repaid with interest.

Tips for taking out loans:

* - Only borrow what you can afford to repay.
* - Understand the interest rate and repayment terms.
* - Consider credit unions for lower interest rates.

# 7. Debt

**Debt Consolidation and Financial Recovery Tips**

If you’re managing multiple debts and feeling overwhelmed, debt consolidation might be a helpful tool. This guide explains what debt consolidation is, your options, and practical tips to regain financial control.

**What is Debt Consolidation?**

Debt consolidation means combining several debts into a single payment—usually with a lower interest rate. It simplifies your finances and can reduce how much you pay in interest over time.

**Benefits of Debt Consolidation**

* One monthly payment instead of several
* Possible lower interest rate
* May improve credit score with consistent payments
* Easier to keep track of bills

**Common Debt Consolidation Options**

1. **Balance Transfer Credit Card**  
   Transfer balances from other cards to one with a 0% intro APR for a limited time (usually 6–18 months). Great if you can pay it off before interest kicks in.
2. **Personal Loan**  
   Take out a fixed-rate loan from a bank or credit union and use it to pay off all your debts. You repay the loan in monthly installments.
3. **Debt Management Plan (DMP)**  
   Work with a nonprofit credit counseling agency to combine your unsecured debts into one plan with lower interest and waived fees.
4. **Home Equity Loan**  
   If you own a home, you can borrow against its equity to pay off debt. Be careful—your home is collateral, so missed payments can put it at risk.

**Steps to Start Resolving Debt**

1. **List all your debts** – Include balance, minimum payment, due date, and interest rate.
2. **Choose a repayment method**:
   * *Snowball Method*: Pay off the smallest debt first to build momentum.
   * *Avalanche Method*: Pay off the debt with the highest interest rate to save money.
3. **Make a budget** – Prioritize debt payments and cut back where needed.
4. **Contact creditors** – Ask for hardship assistance or lower rates.
5. **Avoid taking on new debt** while you're repaying your existing balances.
6. **Track your progress** and celebrate each step forward.

**Helpful Tips for Managing Debt**

* Use **automatic payments** to avoid missing due dates.
* **Track your spending** to identify and reduce unnecessary costs.
* Avoid **payday loans or rent-to-own schemes**—these often carry extremely high interest.
* Use **windfalls** (like tax refunds or bonuses) to pay down debt faster.
* Stay patient—**progress takes time**, but every payment moves you forward.

**Free and Trusted Resources**

* 🏛 **National Foundation for Credit Counseling (NFCC)**  
  [www.nfcc.org](https://www.nfcc.org) – Free or low-cost debt counseling and debt management plans.
* 🛡 **Consumer Financial Protection Bureau (CFPB)**  
  [www.consumerfinance.gov](https://www.consumerfinance.gov) – Government site with tools, education, and complaint resolution.
* 🌍 **United Way / 211.org**  
  [www.211.org](https://www.211.org) – Find local nonprofit organizations that offer help with credit, housing, and budgeting.

# 8. Taxes

**Do You Need to File Taxes?**

You **must file a tax return** if:

* You earned more than the minimum income threshold for your filing status (in 2025, around **$14,600 for single filers** under 65).
* You had taxes withheld and want to **get a refund**.
* You want to claim certain credits like the **Earned Income Tax Credit (EITC)** or **Child Tax Credit (CTC)**.

Even if you made less than the required amount, **it may still be worth filing** to get money back.

**When Do You File?**

* **Tax season** runs from **late January to April 15** each year (April 15 is the usual deadline).
* You’ll need to file a return for the **previous year’s income**. For example, in April 2026, you file for income earned in 2025.
* If you miss the deadline and owe taxes, you could face penalties—but if you don’t owe anything, you can still file late and get a refund.

**What Documents Do You Need?**

Before you file, gather:

* **W-2 forms** (from employers)
* **1099 forms** (if you did freelance or contract work)
* **Government benefit statements** (e.g., Social Security)
* **Identification** (Social Security number and valid photo ID)
* **Bank routing number** (if you want direct deposit for a refund)

**How to File Taxes**

You have a few options:

**Free and Easy Options**

* **IRS Free File**  
  www.irs.gov/freefile  
  For incomes under ~$79,000. Free guided software.
* **MyFreeTaxes.com**  
  Sponsored by United Way. Easy and free to use for most people.
* **Volunteer Income Tax Assistance (VITA)**  
  Free, in-person tax help for people with low income.  
  Find locations: irs.gov/VITA
* **GetYourRefund.org**  
  Virtual help from IRS-certified tax preparers, especially helpful if you’re tech-limited.

**Online Tax Software (some free, some charge)**

* **TurboTax**
* **H&R Block**
* **Cash App Taxes** (100% free and easy to use)

**If You Owe Back Taxes**

* **Don’t ignore it.** The IRS will work with you if you contact them first.
* You can set up a **payment plan** online:  
  irs.gov/payments/online-payment-agreement
* You may qualify for **Hardship or “Currently Not Collectible” status** if you can’t pay.

# 9. Life Insurance

**What Is Life Insurance?**

Life insurance is a **contract** that pays money to your family or loved ones (your "beneficiaries") if you die. It’s one of the most important ways to **protect your children, spouse, or dependents** from financial hardship.

**Why Is Life Insurance Important?**

* Covers **funeral or burial costs**
* Helps your family pay **rent, bills, or debts** after you're gone
* Replaces your **income** if others depend on it
* Can be part of **estate planning** for your kids or future

**Types of Life Insurance**

| **Type** | **How It Works** |
| --- | --- |
| **Term Life** | Covers you for a specific period (10, 20, 30 years). Affordable. |
| **Whole Life** | Covers you for your entire life. More expensive, but builds cash value. |
| **Group Life** | Offered by employers. Cheaper, but may not be portable if you leave the job. |

**Can You Get Life Insurance After Incarceration?**

Yes—**but there may be challenges.** Here’s what to expect:

**You CAN get life insurance, especially if:**

* You’ve been out for a while (2+ years)
* You’re employed or show financial stability
* You have no major health issues

**You MAY be denied or charged more if:**

* You’ve been recently released (under 1–2 years)
* You have health problems (diabetes, heart disease, addiction history)
* You’re still under supervision (parole/probation in some cases)

But **not all companies treat applicants the same.** Some are more open to insuring people with a criminal record.

**How to Apply**

1. **Compare companies online**  
   Look for affordable term life options (like Haven Life, Ethos, Ladder, or Fabric).
2. **Be honest on your application**  
   Don’t lie about past convictions or health—insurance companies can deny a claim if you're dishonest.
3. **Take a medical exam** (for most policies)  
   Some no-exam options exist, but they’re more expensive or have lower coverage.
4. **Designate a beneficiary**  
   Choose someone you trust to receive the money—spouse, child, parent, or close friend.

**How Much Does It Cost?**

* A **healthy 30-year-old male** might pay **$15–30/month** for $250,000 of term life coverage.
* Rates go up with age, health risks, and criminal history.
* Start small if needed—**even $10/month is better than nothing.**

# 10. Investing

**Stock Market (Equities)**

This is where people buy and sell **shares of ownership** in companies.

**Major U.S. Stock Market Indexes:**

| **Name** | **What It Represents** |
| --- | --- |
| **S&P 500** | 500 of the **largest U.S. companies** (e.g., Apple, Amazon, Coca-Cola). Widely used to measure the overall U.S. market. |
| **Dow Jones Industrial Average (DJIA)** | 30 large, well-established U.S. companies (like McDonald's, Walmart). Often used in the news as a quick health check of the economy. |
| **NASDAQ Composite** | Over 3,000 companies, mostly in **tech and innovation** (like Google, Tesla, Meta). |
| **Russell 2000** | 2,000 **smaller U.S. companies**, used to measure small-business strength. |

**These are not places you invest in directly**, but **benchmarks** used to track performance. You can invest in them via index funds (like an S&P 500 fund).

**Bond Market (Fixed Income)**

This is where investors **lend money** to governments or corporations in exchange for regular interest payments.

* **U.S. Treasury Bonds** – Very safe, backed by the government
* **Municipal Bonds** – Issued by cities/states to fund local projects
* **Corporate Bonds** – Issued by companies; higher risk = higher reward

Bonds are usually **less risky** than stocks and are used for stable income.

**Cryptocurrency Market**

A newer, digital market where people buy and trade **cryptocurrencies** like:

* **Bitcoin**
* **Ethereum**
* **Solana**

Highly volatile and speculative. Not recommended as a primary investment for beginners or those rebuilding financially.

**Real Estate Investment Market**

Investing in:

* **Physical properties** (rental houses, commercial buildings)
* **REITs** (Real Estate Investment Trusts) – Companies that own real estate and pay you a portion of the income

You can invest in REITs through the stock market without owning property directly.

**Commodities Market**

Investing in **raw materials** like:

* Gold
* Oil
* Wheat
* Silver

These are often used to **hedge against inflation** but can be risky for beginners.

**Mutual Funds & ETFs (Exchange-Traded Funds)**

These aren’t markets, but **tools that give you access** to markets:

* **Mutual Funds** – Professionally managed, bought through a firm (like Vanguard or Fidelity)
* **ETFs** – Like mutual funds, but traded on the stock exchange (you can buy/sell anytime)

Both allow you to own **a mix of stocks or bonds** without picking individual companies.

**Summary Table**

| **Market** | **Purpose** | **Beginner-Friendly?** |
| --- | --- | --- |
| Stock Market | Buy shares in companies | ✅ Yes (via index funds) |
| Bond Market | Lend to gov/companies for interest | ✅ Yes (for income) |
| Crypto Market | Trade digital currency | ⚠️ Risky, not beginner-friendly |
| Real Estate Market | Invest in property or REITs | ✅ Yes (REITs), ⚠️ Complex for property |
| Commodities Market | Invest in raw materials | ⚠️ Risky |
| ETFs / Mutual Funds | Access to baskets of investments | ✅ Yes |

**How to get started investing:**

**Step 1: Make Sure You’re Ready**

Before you invest, make sure you’ve:

* **Paid down high-interest debt** (like credit cards)
* **Built an emergency fund** (aim for at least $500–$1,000 to start)
* Have a **steady income** (even part-time is fine)

*“Don’t invest your rent money.”* Make sure your basic needs are covered first.

**Step 2: Learn Basic Investment Types**

Here are the safest ways to start:

* **Roth IRA** – Tax-free retirement savings (best place to start investing long-term)
* **401(k)** – If your employer offers one, especially with matching contributions
* **Index Funds or ETFs** – Low-cost, beginner-friendly investments that track the stock market (like the S&P 500)

Avoid:

* Day trading
* Crypto (unless you fully understand the risks)
* “Get-rich-quick” schemes

**Step 3: Open an Investment Account**

You’ll need a **brokerage account** to invest. Good beginner-friendly options:

| **Company** | **Features** |
| --- | --- |
| **Fidelity** | No account minimums, easy-to-use app |
| **Charles Schwab** | Low fees, great education resources |
| **Vanguard** | Best for long-term investing |
| **Betterment / Wealthfront** | Automated “robo-advisors” for hands-off investing |

Also consider apps like **Acorns** or **SoFi** if you’re just starting with a few dollars.

**Step 4: Decide How Much to Invest**

* Start small: **$25/month** is better than nothing.
* Set up **automatic transfers** so you don’t have to think about it.
* **Consistency > amount.** It’s the habit that builds wealth.

Example: Investing $50/month for 20 years at 8% average return = **$29,000+**

**Step 5: Choose What to Invest In**

For beginners, stick with **diversified funds**:

* **S&P 500 Index Fund** – Owns pieces of 500 major U.S. companies
* **Target Date Fund** – Automatically adjusts risk based on your age
* **Total Market Fund** – Covers nearly all U.S. public companies

These are:

* **Low cost**
* **Simple**
* **Proven long-term performers**

**Step 6: Stay the Course**

* Don’t check your account every day.
* The market goes **up and down**—this is normal.
* Investing is for the **long term** (think 5+ years).

**Resources to Learn More**

* **Investopedia.com** – Great beginner explanations
* **Bogleheads.org** – Simple investing community and philosophy
* **YouTube Channels** like Graham Stephan or The Financial Diet
* Books:
  + *The Simple Path to Wealth* by JL Collins
  + *I Will Teach You To Be Rich* by Ramit Sethi

**Summary for Beginners**

| **Step** | **What to Do** |
| --- | --- |
| Get financially stable | Emergency fund + steady income |
| Open an account | Use Fidelity, Schwab, or Betterment |
| Choose simple investments | Index funds, Roth IRA, 401(k) |
| Automate it | $25/month goes a long way |
| Stay patient | Let time and compound interest work |

# 11. Recommended Books and Free Resources

Books:

* 'The Total Money Makeover' by Dave Ramsey
* 'Your Money or Your Life' by Vicki Robin
* 'Rich Dad Poor Dad' by Robert Kiyosaki
* ‘The Intelligent Investor’ by Benjamin Graham
* ‘The Psychology of Money’ by Morgan Housel

Free Online Resources:

* mymoney.gov
* investor.gov
* nerdwallet.com
* Motleyfool.com

Podcasts:

* Budget Vista
* Planet Money

Email Newsletters:

* Morning Brew

# Financial Wellness Worksheet

Use this worksheet to test your understanding of the financial topics covered in this guide.

1. What is the 50/30/20 rule in budgeting, and how would you apply it to a $2,000 monthly income?

2. List three documents typically needed to open a bank account.

3. What are two differences between a Roth IRA and a Traditional IRA?

4. What is a credit score, and why is it important?

5. Name two actions that can help improve your credit score.

6. What should you look for when choosing a basic checking account?

7. How often can you check your full credit report for free? Where can you do this?

8. What are some signs that you might be spending too much on wants instead of needs?

9. List two books or online resources that can help you continue learning about finances.

10. Why is it important to save money even if you’re only able to save a small amount at first?

# Blank Budget Worksheet

Use this worksheet to plan out your monthly budget. Categorize your expenses into the given areas and fill in your planned and actual expenses. Then, calculate the difference to see where you met your budget or overspent.

Instructions:

1. In the 'Expense Category' column, write down your expenses (e.g., Rent, Utilities, Groceries).

2. Fill in the 'Planned Amount' for each category based on your estimated expenses.

3. At the end of the month, fill in the 'Actual Amount' spent.

4. Calculate the difference in the 'Difference' column.

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| Expense Category | Planned Amount | Actual Amount | Difference |
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Total Planned: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total Actual: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Net Difference: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Remember, you should follow the 50/30/20 Rule when budgeting. Did your spending match this rule?*

* **50% Needs** – Rent, food, utilities, transportation, health insurance.
* **30% Wants** – Dining out, entertainment, hobbies, vacations.
* **20% Savings & Debt Repayment** – Emergency fund, retirement, paying off loans or credit cards.