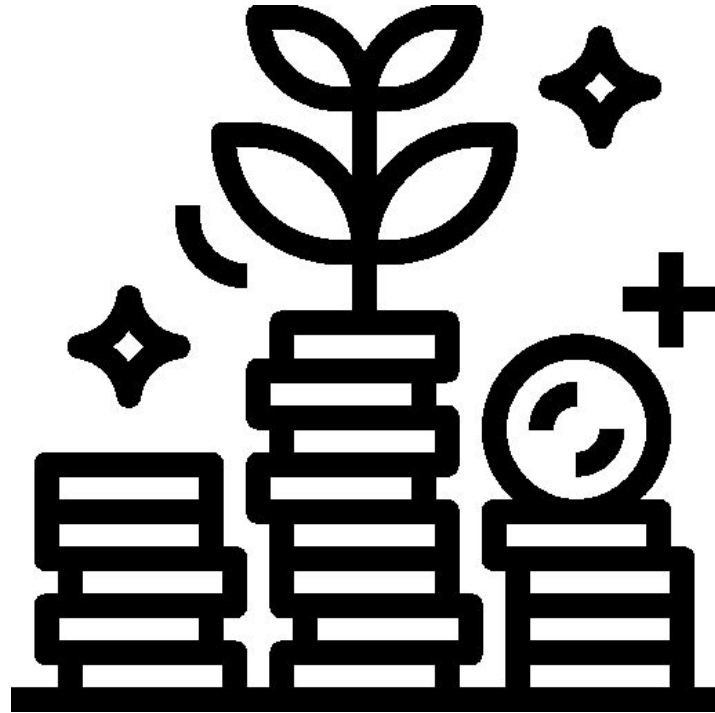


Budgeting Basics Series for the Anglo Young Couple and Family

Part #1 Budgeting, All about it!



There will be 6-8 Guides

Topics that will be Discussed: All about the Budget, How to Create a Budget, Income Enhancements, Streamlining Expenses, Tackling Debt, Short Term Savings, Food Shopping, Menu Planning, Payment Methods, Maintaining your Budget, Long Term Savings and more...

Budgeting Basics for the Anglo Young Couple and Family

Corona hit, while “we are not all in the same boat, we are riding in the same storm” Personal Financial information is always a topic to tackle, more so now... In these series you will find information on how to achieve and maintain personal financial stability.

Before we dive right in, a couple of pointers:

- Money is up to Hashem! This is Hishtadlus and our part!
- A monthly budget, enhancing incomes and more are meant to do a as couple, while one of you will be better with the numbers, you both got to be on the same page.
- Kindly refrain from discussing this topic on the Forum, as many people find personal finance sensitive.
- Keep in mind that this guide pertains to **most people**, not everything will be applicable or relative to you.

Enjoy this Journey! Although it might be difficult initially, you will reap the pleasure and peace very soon!



These series have been created by letscreateabudget@gmail.com if you have any questions, need assistance or guidance feel free to reach out. Strictly Confidential.

Purpose and Benefits of Budgeting

Purpose

The purpose of a budget is **not** to cut back on spending, it is to gain insight into your finances which allows you to make responsible financial decisions.

It is recommended to do a monthly budget before each month to prepare for the following month. Initially, it might be helpful to sit down weekly and review the budget to see if you are on track and if there are any adjustments to be made.

The goal of financial stability is to have all your needs and some of your wants met.

Benefits

- Ensures that you are not running a deficit, and that you can cover the important expenses.
- Affords you the peace of mind for knowing which purchases that you can afford and knowing whether you can take on an additional expense.
- Budgeting will open your eyes and let you track your financial goals.
- Will help organize your spending and know when to curb spending and limit expenses in case of a deficit and to push to increase savings.
- Will help create a cushion for unexpected expenses.

Creating a Budget

To create your budget you will need:

- All Income
- All Expense
- All Debt
- All Savings
- Old Bills
- Credit Card Statements
- Bank Statements

Dedicate a few hours to create your first budget. You will need to gather all necessary data and paperwork. A good idea to estimate expenses like groceries (if you don't use credit cards, which you can check online easily) or any cash expenses is to keep a transaction record for the first few weeks or so, just to get the clear financial picture of where the shekels are actually disappearing too. In the next three pages are the most common expenses to give you a picture of which pointers you will need for your budget.

NIS vs USD or other Currency. It is recommended that if you live in Israel you use the shekel as the primary method in your budget. If however, your income and rent or other major expenses are in USD or other Currency, then it might be simpler to go according to that. Use what works best for you.

I have attached an excel budget and a transaction record.

Mint.com everydollar.com are free and a fantastic options as well.

Income (Monthly and Annual) and Debt

Monthly Income

- Husband's Job
- Wife's Job
- Yeshiva/Kollel Stipend
- Parental Support
- Bituach Leumi Child Allotment

Annual Income/Gifts

- Side Jobs
- Parental Support
- Tax Returns/Refunds (USA)
- Bonuses
- Gifts

Debt

- Monies owed as tuition
- Bills owed
- Gemach loan
- Credit card debt (not your current statement)
- Monies owed to family/friends
- Bank loans



Parental Support is considered monthly income if it same amount consistent per month.
Parental Support is considered annual income/gifts if it is random gifted money.

Monthly Expenses

Monthly Fixed

- Rent/Mortgage
- Tuition
- Gan
- Subscriptions
- Health Insurance
- _____
- _____
- _____
- _____

Monthly Variable

- Groceries-local
- Supermarket
- Chicken/Meat
- Fish
- Cleaning Lady
- Cell Phones
- Home Phone
- Internet
- Gas
- Water
- Electricity
- Transportation
- Babysitting
- Miscellaneous
- Baby Items
- Health Items
- Dry Cleaners
- Hair/Sheital
- Cosmetics
- Mikva
- _____
- _____
- _____

Tackling Annual Expenses

There are three ways to handling annual expenses.

1-Is to use annual income (gifts/tax return/side jobs) as a way to cover annual expenses.

2-Is to divide the annual expenses by 12 and have that amount available per month, and to roll over the extra per month.

3-Is to add annual expenses as a monthly expense, per month (say that September will be more expensive month than February)

Example

Your annual expenses total is \$5400

- You can either see if your annual income(gifts/extra income)covers it. Keep a separate monthly and annual budget
- You can either say I need additional \$450 in my budget per month. (the months that you will use less, you will save the money for a future month when you will be using more)
- You can either take it month by month and see one month I need an extra \$2000 (plane tickets)and another month I just need \$50 for annual expenses and plan accordingly per month.

Annual Expenses

Annual

- **Medical**
 - Copays
 - Medicine Prescriptions
 - Private Pay Doctors
 - Gym Membership
 - Vitamins
 - Dental Care
- **Bein Hazmanim**
 - Summer Trips
 - Flights to Parents
 - Food and Hotels for Trips
 - Travel Insurance
 - Keytana
 - Transportation
- **House Expenses**
 - Arnona
 - Paint job
 - Repairs
- **Clothing and Accessories**
 - Shoes adults
 - Shoes Kids
 - Glasses
 - Accessories
 - Birthdays
- Sheital care (if it is not a monthly expense)
- Clothing-Adults
- Clothing-Kids
- Dry Cleaners (if it is not a monthly expense)
- **Yom Tov**
 - Kaparas
 - Succah
 - Lulav/Esrog
 - Chanukah Parties
 - Costumes
 - Mishloach Manos
 - Yom Tov Meals
 - Matzah
 - Seder Costs
 - Wine
 - Extra Cleaning Help
- **Other**
 - Gifts
 - Gifts for others
 - Teachers/Rebbe Tips
 - School Supplies
 - Transportation
 - Accountant Fees
 - Maaser/Tzedakah

Now What...

(Will be discussed more in detail in the next series)

Well Done...

You did it, you've got your financial picture...

Now What...

- You're income is exceeding your expense and you have money to set aside for savings-**well done**
- You income and expenses match-**you might want to have a little more room to for savings or emergencies**
- You have a deficit, your expenses are more than your income-**you either will need to increase your income or decrease your expenses. No other trick is around.**

There are two ways to have more room in your budget

Increase Income

or

Decrease Expenses

	Increase Income	Decrease Expenses
Potential/Opportunity	✓ There is unlimited opportunity	X There is just so much one can cut
Results	X Can take some time to see results	✓ Usually instant results
Motivation	✓ Hard work, much more of a positive feeling	X Not a very exciting feeling to cut expenses

Thank You

Hope you found this guide helpful!

For comments, questions or assistance reach out to
letscreateabudget@gmail.com

This guide has been created for liveyourbil.com group only. Please contact us if
you want to share it.