

# The Napkin Budget

For some, this may be the very first time that you've sat down to consciously consider your finances and it's awesome if you are because it's the first step into getting rid of that nagging feeling in the back of your mind that everything is not OK. The idea here is to just get a sense of where the majority of your money is going. If you don't get every financial detail on here that's perfectly fine, because this is not intended to be a budget you live by, just a snapshot of where you're at today. I'll list some of the most common categories to help you get started, but please customize your sheet as needed!

## Income (List all Regular & Dependable sources of income):

Paycheck \_\_\_\_\_  
Side Income \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Sum of all Income: \_\_\_\_\_

## Expenses (List all monthly payments, don't worry about balances yet):

Housing \_\_\_\_\_  
Groceries \_\_\_\_\_  
Credit Cards \_\_\_\_\_  
Utilities \_\_\_\_\_  
Phone \_\_\_\_\_  
Internet \_\_\_\_\_  
Student Loans \_\_\_\_\_  
Misc. Loans \_\_\_\_\_  
Automobile \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Sum of all Expenses: \_\_\_\_\_

Now that you have all of your income totaled and all of your expenses totaled, it's time to get a snapshot of your ability to move forward financially today. Simply subtract the sum of your expenses from the sum of your income.

Sum of all Income: \_\_\_\_\_ - Sum of all Expenses: \_\_\_\_\_ = \_\_\_\_\_

This number (in the 3rd line just above), if it is above zero, means that you make more than you spend. This is in line with the very 1st rule of personal finance. You have to spend less than you earn. If the number is less than zero, that means one of 2 things (or both) have to happen. You have to spend less and/or you have to earn more. There's really no way to shift numbers around to "fudge" it... Your income has to be higher than your outgoing. If the number above is less than zero, your situation is not sustainable, and something is going to have to change. The more detailed you can be on this worksheet, the more accurate your financial picture will be represented by the results. Don't freak out either way this worksheet works out, we're going to discuss where to go from here shortly!