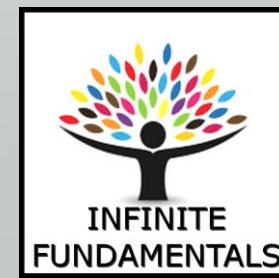


The 4 Step Budgeting Process for Beginners

- Step 1: Commitment
- Step 2: Income
- Step 3: Expense
- Step 4: Evaluate

Note: I recommend obtaining past bank/credit card statements from the past 6 -12 months.



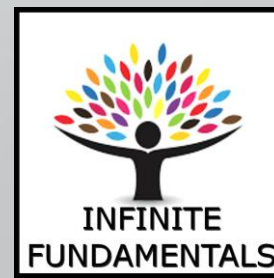
Commitment

- Mindset
 - “I need to make a budget plan.”
- Agreement
 - To self
 - With spouse or significant other
 - Business team
- Accountability
 - “It is my responsibility.”
- Dedication
 - “I will continue to budget.”



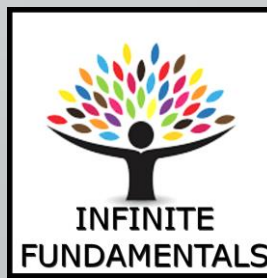
Income

- Types of Income
 - Employment wages or salary
 - Self employment
 - Royalties
 - Dividends
 - Interest earned
- Frequencies of Income
 - Daily
 - Weekly
 - Monthly
 - Quarterly
 - Annually



Calculating Income

- Daily Income
 - Average amount if income fluctuates
- Weekly Income
 - Fixed weekly income + (Avg. daily income x Avg. days worked) = Total weekly income
- Monthly Income
 - Fixed monthly income + (Total weekly income x 4.33) = Total monthly income
- Quarterly Income
 - Fixed quarterly income + (Total monthly income x 3 months) = Total quarterly income
- Annual Income
 - Fixed annual income + (Total quarterly income x 4 quarters) = Total annual income



Expenses

- Type of Expenses
 - Mortgage or rent
 - Utilities
 - Subscriptions
 - Child care
 - Insurance
- Frequency of Expenses
 - Daily
 - Weekly
 - Monthly
 - Quarterly
 - Annually



Calculating Expenses

- Daily Expenses Amount
 - Average amount if expenses fluctuates
- Weekly Expense Amount
 - Fixed weekly expenses + (Avg. daily expense x 7 days) = Total weekly expense
- Monthly Expense Amount
 - Fixed monthly expenses + (Total weekly expense x 4.33) = Total monthly expense
- Quarterly Expense Amount
 - Fixed quarterly expense + (Total monthly expense x 3 months) = Total quarterly expense
- Annual Expense Amount
 - Fixed annual expense + (Total quarterly expense x 4 quarters) = Total annual expense



Evaluate

- **Evaluation steps**
 - Select time period
 - Recommend monthly or annual time periods
 - Implement amounts into formula
 - $\text{Total Income} - \text{Total Expenses} = \text{Net income}$
- **Positive net income (Green)**
 - Savings
 - Investment
 - Emergency Fund
- **Negative net income (Red)**
 - Increase income
 - Reduce expenses
- **Financial Grade**
 - A (\$500+), B (\$250 - \$499), C (\$0 - \$249), D (-\$1 - \$249), F (-\$250+)



Commitment

- Mindset
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