

DEBT FREE OR DIE TRYING

We often say on our show at [Paychecks & Balances](#) that the first step to becoming debt free is to make the choice to become debt free. The second step? Start a budget.

A 2013 Gallup poll found that only one in three Americans prepares a detailed personal budget. Below is a visual tool designed to help you create a budget in 15 minutes or less. Tune into our show for more **FREE** tips to raise your paychecks and lower your balances. Visit [Debt Free Or Die Trying](#) to find more helpful tips specific to debt management.

INSTRUCTIONS: The 15 Minute Budget

Income: Use this section to estimate your monthly take-home income (income after taxes). If your income varies month-to-month, use the average of your last three months of income. Add your income streams in this section for your "Total Income."

Outcome: Use this section to estimate your monthly outcome (expenses). Outcome should include all bills and expenses where your money is going out versus coming in.

A non-exhaustive list is shown in the visual graphic. You should use the Other categories to tailor the tool to most accurately represent your monthly outcomes. After you've included all sources of outcome, add Total Fixed Outcome + Total Variable Outcome. Together these two sections represent your "Total Outcome."

Discretionary Income: Subtract Total Outcome from Total Income. This is your monthly Discretionary Income. Is this number positive? If yes, are there any Outcomes you can reduce to help grow your discretionary income even more? For instance, if you haven't comparison shopped for car, home or rental insurance in the last 36 months, this might be an easy way to cut back on one or multiple monthly expenses. As we discussed on Paychecks & Balances, I was able to lower my cell phone data plan over \$100/mo. or \$1,200/yr. by switching to a data plan that better aligned with my actual usage instead of my costly unlimited data plan.

Is your Discretionary Income negative? Start a detailed review of your two Outcome sections. Are there monthly expenses in either section you can remove or reduce? An example: on average, cable is estimated to cost over \$200/mo. or \$2,400/yr. or \$12,000 every 5 years. Always think about the cost over time versus just one month, especially for recurring monthly bills you can possibly cutback on like cable, cell phone, etc. It'll help you see the long-term impact of your spending, which is usually an unnecessarily large number.

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THE DEBT FREE OR DIE TRYING "15 MINUTE BUDGET"

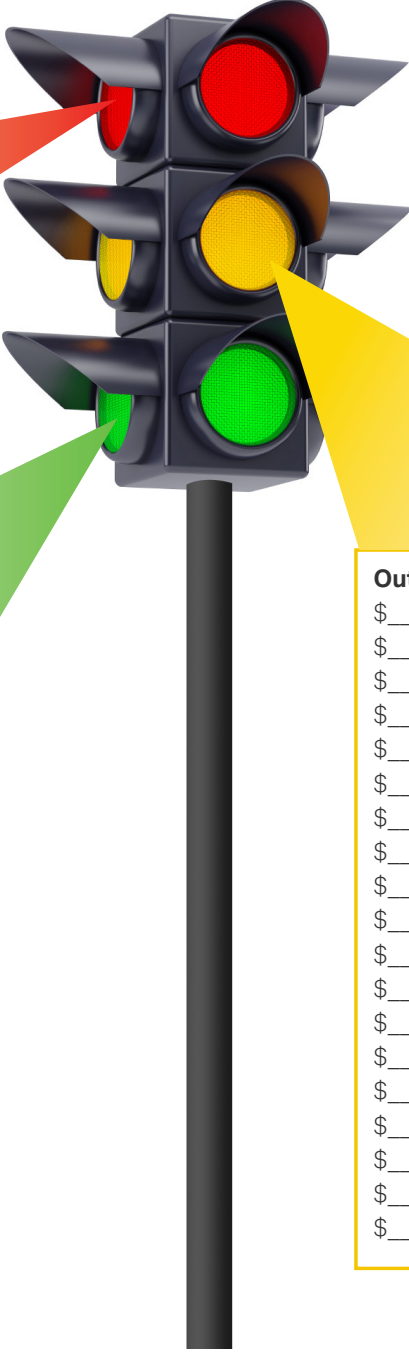
+TOTAL INCOME \$ _____
 -TOTAL OUTCOME (FIXED + VARIABLE) \$ _____
 = DISCRETIONARY INCOME \$ _____

Outcome (Fixed)

\$ _____ Housing
 \$ _____ Transportation
 \$ _____ Car Payment(s)
 \$ _____ **Total Fixed Outcome**

Income

\$ _____
 \$ _____
 \$ _____
 \$ _____
 \$ _____
 \$ _____ **Total Income**



Outcome (Variable)

\$ _____ Loans/Credit Cards
 \$ _____ Utilities
 \$ _____ Food/Restaurants
 \$ _____ Food/Groceries
 \$ _____ Healthcare
 \$ _____ Entertainment
 \$ _____ Education
 \$ _____ Clothing/Apparel
 \$ _____ Alcoholic Beverages
 \$ _____ Car Insurance
 \$ _____ Life/Personal Insurance
 \$ _____ Gas
 \$ _____ Miscellaneous
 \$ _____ Other _____
 \$ _____ Other _____
 \$ _____ Other _____
 \$ _____ Other _____
 \$ _____ Other _____
 \$ _____ **Total Variable Outcome**