

# 5 Step Spending Plan

One of the most important personal money management rules is:

***Live within your income.***

To accomplish this, most of us need a plan for how we will spend our money. Here are 5 steps to create a Spending Plan:



**1** Take a piece of paper and list your monthly income at the top of the page. Consider all of your sources of income—allowance, gifts, and extra jobs.

**2** List what you need money for every month. The list might include items such as savings (paying yourself first should always be the number one priority on your list), lunch money, food/drinks, games, movies, church or charitable gifts, toys and miscellaneous expenses.



**3** Divide the items into two lists: “Must Have Money For” and “Wish I Could Have.” Then, add up the amount you need for the “Must Have” column (your first priority) to determine how much is left for the “Wish” column.



**4** Sit down with your parents and make a list of the items that they will pay for and what items you are expected to pay.

**5** Finally, start your Spending Plan. As you begin, keep a list of what you actually spend each week — this will show you if your Plan is working. You may need to make adjustments for the next month. Share your progress with your parents — they can help you if you need to change your lists or find extra chores if you feel you need more money for your “Wish” list.



*Very few people have enough money do to everything they want to do.  
A Spending Plan will help you prioritize the things you need and want most.*

