

## FOUR BUDGET NUMBERS TOOLKIT TO BUCKET FOR SUCCESS

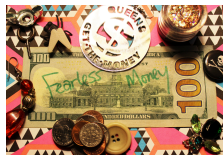
*By Hadassah Damien -- Personal Finance, Small Business & Couples' Money Strategist*

In this toolkit you'll simplify your budget and cash flow with a video, frameworks, one equation + four crucial numbers, and worksheet activities.

**IF YOU MISSED THE VIDEO:** How To Accomplish Budgeting in Six Minutes:

[http://www.ridefreefearlessmoney.com/blog/landing-page/budget\\_download/](http://www.ridefreefearlessmoney.com/blog/landing-page/budget_download/)

You know what can make you a good budgeter? Not having quite enough money and needing to make it last anyway. (At least that worked for me when I was broke). But, you don't have to be struggling to need a solid budget – and frankly, the more money you have, the MORE you need a plan for your money, so you don't burn through it without realizing it.



## About Your Teacher →

**Hadassah Damien, a money wrangling superstar & finance educator at Ride Free Fearless Money. She has:**

- Helped over 100 clients & hundreds of students create a done-for-you spending plan that generates savings and addresses debt!
- Via her own personal budgeting, saved **\$20,000 -- AND bought a motorcycle**, all while making under \$30k a year and paying student loans in a big city. #mysordid20s
- Mastered small business budgeting: paid artists in her arts org, and managed books in a \$250,000/yr shop.
- Ms. Damien can make a penny do the work of a dime while living her best weirdo life.



## You know what will make *anyone* a **GREAT** budgeter?

1. **Wanting to level up and end stress around money**
2. **Experiencing the outcomes: having savings, paying for things without resorting to credit, spending mindfully and being in control** (If you'd like this, get out a pen)
3. **Not freakin' following every last penny around.** (Read on...)

## Why do we hate to budget?

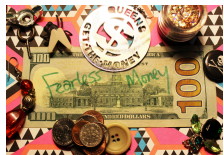
It can feel square or anxiety-producing: wrangling numbers, logging in, paying attention to an app... Realizing we HAVEN'T paid attention and then getting stressed or surprised.

It does NOT have to be this way!

**The results of having a good plan in place for our money can be EPIC:** reduced or no debt, having padding for financial surprises, experiencing the peace that comes from knowing you're handling what you have to the best of your ability. #adulting maximized.

I'm going to truth bomb you: this is work that no one is likely to do for you – but luckily, it's easier than you might think. You don't need to budget! You need a *spending plan*.

**With a spending plan, you're intentionally planning what to do with your money -- with the *outcome* of budgeting in mind:** having emergency, travel, and fun money saved, being less stressed, knowing you'll never bounce a check again. Onwards to the skills you'll get in this toolkit. All you need are some tips, commitment and ... Practice!



## Your four numbers:

**There are only four numbers you need to know to have a spending plan.** Of course, lots of other numbers will go INTO these, but get these four down and you're on your way!

1. Income – after taxes of course.
2. Hard, or unchanging, costs: Rent/Mortgage, Utilities, Minimums on loans & cards, insurance...
3. Mutable, or changing, costs: Food, healthcare, entertainment, clothes...
4. Goal & strategy money: regular savings, planned purchases like travel, retirement or investments...

## The Crucial Equation

**Income – hard costs – savings and goal money = \$\$\$ left for mutable costs.**

*Example: \$2700 (income) - \$1350 (hard costs) - \$500 (goal money) = \$850 (everything else)*

## How do I get these four numbers?

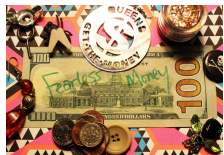
- For starts, guess – seriously. Take a decent guess, and then look at last month's spending via your bank account to see how close you were. It's VERY illuminating!
- Try writing out your four numbers using the worksheet below
- Try one of the budgeting apps linked at the end of this document to automate and digitize some of the calculations for you.

## Why know these four numbers? So you can act on the info they give you!

Again → **Income – hard costs = money left for mutable costs & savings/goal money** ← sometimes we are not happy with the amount left for mutable costs and savings/goals ... If you want to *change* what you feel able to spend or save, then you need know **exactly** how much to either:

1. Lower your mutable costs by, or
2. Up your income by

In order to up your spending money, savings, or goal money — and you likely want to do this, no matter what — you need to know what you'll budget for yourself towards mutable costs. The rest is then just math – *math you plan for*.



## One Equation To Remember (again)

**Income** – **hard costs** – **savings and goal money** = \$\$\$ left for **mutable costs**.

### Let's break down each of these:

1. Income, after taxes
  - This is the money you have AFTER taxes, your net income.
  - If you're a business owner it's the money you have after you put aside the money you will pay for taxes, which you will do every time, before you ever think about spending it. (<- did that hypnosis work?)
2. Hard costs
  - For personal money, this is your rent/mortgage, insurance, loan and credit minimums – anything you currently *have* to pay for [eg cable does not go on this list!]
  - For business income, these are your costs of doing business: office rent, work tools or clothes, software you can't work without – anything you *have* to buy to do your job
3. Mutable costs:
  - For personal money, this is food, clothes, entertainment, cash for weed, taxis — anything you don't have to buy, that you do buy. Yes, you have to buy food, but you can alter the amount of money you spend on it [trust me]. Yes you need to wear clothes but you don't have to buy new ones [trust me].
  - For business, this is your client dinners, your taxis, your newer & better equipment. The things you want for your biz.
4. Savings, Goal-money, Strategy money
  - The money you put away each month to build or grow your float & emergency fund
  - Your planned savings towards goals like vacation, school, down-payment, vehicle
  - Your retirement savings and/or investments
  - The extra money you're throwing at loans or credit card debt to get out of it

### **HOMEWORK:**

1. Using the worksheet below, find your four numbers for **last** month, by determining your income and spend.
2. Using the worksheet, fill out what you **THOUGHT** you'd earned and spent and subtract what **actually** happened.
3. Set a date on your calendar about a month from now to come back and revisit your income, spend and savings for the last month.
4. Keep seeking out tools to help you – and let yourself practice for goodness sake. It's not about being perfect the first time.





## SPENDING PLAN MONTH-IN-REVIEW WORKSHEET

### What do I think is happening vs. what is actually happening with my money?

See if you can get the facts of where you might be overspending or underestimating what you can save

1. What I think I earned and spent last month ...	2. What I actually earned and spent last month ...	3. Find the difference
Example: I think I'll earn this month: \$2000 salary+\$250 side job=\$2250	\$2100 – my side job got a little less this month	- \$150
Example: I'll spend 1100+200+300+100+50= 1750	\$1850 – I also had to buy a bus pass	+ \$100
Get:	Got	Diff: \$
Spend:	Spent	Diff: \$

### Get the numbers

Use the worksheet below or your bank or credit card statements, paychecks or invoice tracking, and add it up:

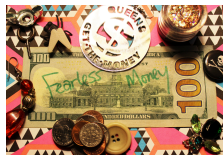
Four numbers	Example	What happened last month ...
Income	\$2500	
- hard costs	- \$1300	
- goal money	- \$500	
= mutable cost spend goal	\$700	

### Now – go back to the top and fill in what actually happened last month!

### Your Key Question: With what's off, what plan do I make to address that?

Next, learn where you went over or under in your budget plan. Why? So you know **WHAT** happened, and then **HOW** you can move money around to still meet your goals and priorities.

	Item or category	How much, about	From where in your income or spending plan will you put the extra or get the difference?
For what was my spending under what I thought?			
For what was my spending over what I thought?			
What would I change, having looked at what I spend and my goals/values/priorities?			



## Detailed Monthly Spending Plan Worksheet

Note – make this into a spreadsheet if that's easier for you!

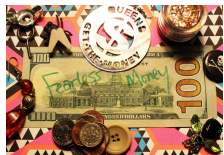
1) Estimate your monthly income, adding in or editing rows as appropriate to you:

Monthly Income Sources		
Source	Expected per month Try to be accurate but not inflate	Actual per month Base this on last month or two if irregular
After-tax wages from "dayjob"		
Or, pre-tax income, after expenses*, minus:		
Taxes you'll save against this income, 10% on first 12k/year; ~20% on up to \$25k, 30% up to \$35k, 35% above that.	-	-
After-tax income from side/freelance job(s)		
Tips or bonuses		
Rental income (or other passive income)		
Alimony or maintenance payments		
Child support		
Unemployment compensation		
Social Security or Supplemental Security Income		
Retirement plans		
Private disability insurance payments		
Public assistance		
Food stamps		
Other: Savings I expect to utilize		
Other: Loans I expect to utilize		
Other		
<b>Total Monthly Income</b>	\$	\$



**2) Next, list your monthly expenses.** If you have not kept track of expenses in the past, use this worksheet to see if you can list everything from last month. Next month, copy this form to try again.

Monthly Personal Expenses		
Kind of Expense	Expected per month	Actual per month
<b>Hard Costs - crucial &amp; repeats:</b>		
Rent/mortgage / second mortgages		
Health insurance		
Credit cards, lines of credit		
Student Loan payment		
Utilities (heat, electricity, water, gas)		
Landline and/or cellphone		
Internet access		
Insurance (car, homeowners', renters', life)		
Alimony, maintenance, child support		
<b>SUBTOTAL</b>		
<b>Mutable - changes each month:</b>		
Car payment, gasoline, parking		
Bus fare/subway/train/taxi		
Subscriptions: cable/ media/ food/makeup...		
Therapy, Personal assistance care		
Prescription drugs, medical supplies etc.		
Doctor/dentist bills		
Child care, child needs		
Groceries		
Snacks, meals eaten out		
Pets		
Clothes		
Education-related expenses		
Personal (toiletries, etc.)		
Entertainment (movies, games, apps, drinking)		
Charitable donations		
Other		
Miscellaneous (gifts, classes)		
<b>SUBTOTAL</b>		
<i>...continue on</i>		



Strategy \$\$ -savings and goals:		
Savings (emergency, nest egg, planned spending, vacations, down payment...)		
Retirement plan contributions		
Investments		
Extra money put to debt (over minimums)		
<b>Total Monthly Expenses</b>	\$	\$

## RESOURCES

**REVIEWS & WRITING:** I list and review tech tools and online resources to help you take hold of your finances here:

<http://www.ridefreefearlessmoney.com/resources/>

### RESOURCE: BUDGETING APPS

Online at:

<http://www.ridefreefearlessmoney.com/blog/2015/11/is-there-an-app-for-that/>

*I've done it, and you can, too! It's all about intention, attention, and motivation.*

If this toolkit helped you, you'll definitely want to check out the **WHOLE** course this toolkit is a small part of – **Calm That ACK! Budget and Save Money Master Course.**

It's available online NOW, so don't let your money be messy or stressful another day.

**Past students say:**

*"I've just saved my first \$1,000!"*

*"I just paid off my biggest credit card!"*

*"I'm noticing how I relate to money so much more now, thank you!"*

IMMEDIATE ACCESS ONLINE COURSE

## CALM THAT ACK!

BUDGET AND SAVE MONEY MASTER CLASS

*"I just saved my first \$1,000. I can't believe it!"*

**IN THIS COURSE YOU LEARN:**

- A REALLY SIMPLE TECHNIQUE THAT CAN TRANSFORM STRESS INTO STRATEGY!
- SPECIFIC TECHNIQUES ON SAVING, GOALS, AND BUDGETING.

**SIGN UP NOW AND YOU GET:**

- OVER TWO HOURS OF VIDEO CONTENT
- A FULL, 16-PAGE TOOLKIT.
- A MONTH-LONG WEEKLY EMAIL COURSE GUIDING YOU
- EXTREMELY REAL TALK, FUN EXPLANATIONS OF EVERYTHING
- A PROGRESSIVE, CREATIVE, NON-CORPORATE COMPLIANT TAKE ON SAVING, BUDGETING, AND MONEY MANAGEMENT.

COLOR SLIDES

**CLICK HERE TO CALM THAT ACK & DIVE INTO AN AFFORDABLE, SMART MONEY COURSE TODAY:** <http://fearlessmoneycourselab.teachable.com/p/calm-that-ack-budget-and-save-money-master-course/>