

Budgeting

Budget:

- A budget is a strategic plan for a person's future income and expenditures to act as a guideline for spending and saving.
 - Spending more money than is being earned through an income can lead to debt, and while in school, students should begin to learn budgeting strategies to reduce the amount of debt accrual.
- The key to "spending within your means" is to know your expenses and to spend less money than is earned in income.

Big Picture:

- Create a realistic spending plan
- Debt from student loans is almost inevitable
- An education is an investment in the future

Making a Budget:

- Step 1: List total income
 - List all sources of income including student loans, scholarships, savings, salaries, gifts, and so on.
- Step 2: Estimate total expenses
 - Estimate for the same timeframe as the total income listed in step 1.
 - Budget for all expenses including: food, rent, transportation, bills, supplies, travel, lodging, entertainment, and so on.
- Step 3: Subtract
 - Goal is to have income exceed expenses
- Step 4: Evaluate and reconsider expenses
 - If expenses are more than income, then alterations must be made in order to account for these changes. Analyze all purchases and create a plan to become a more financially aware individual.