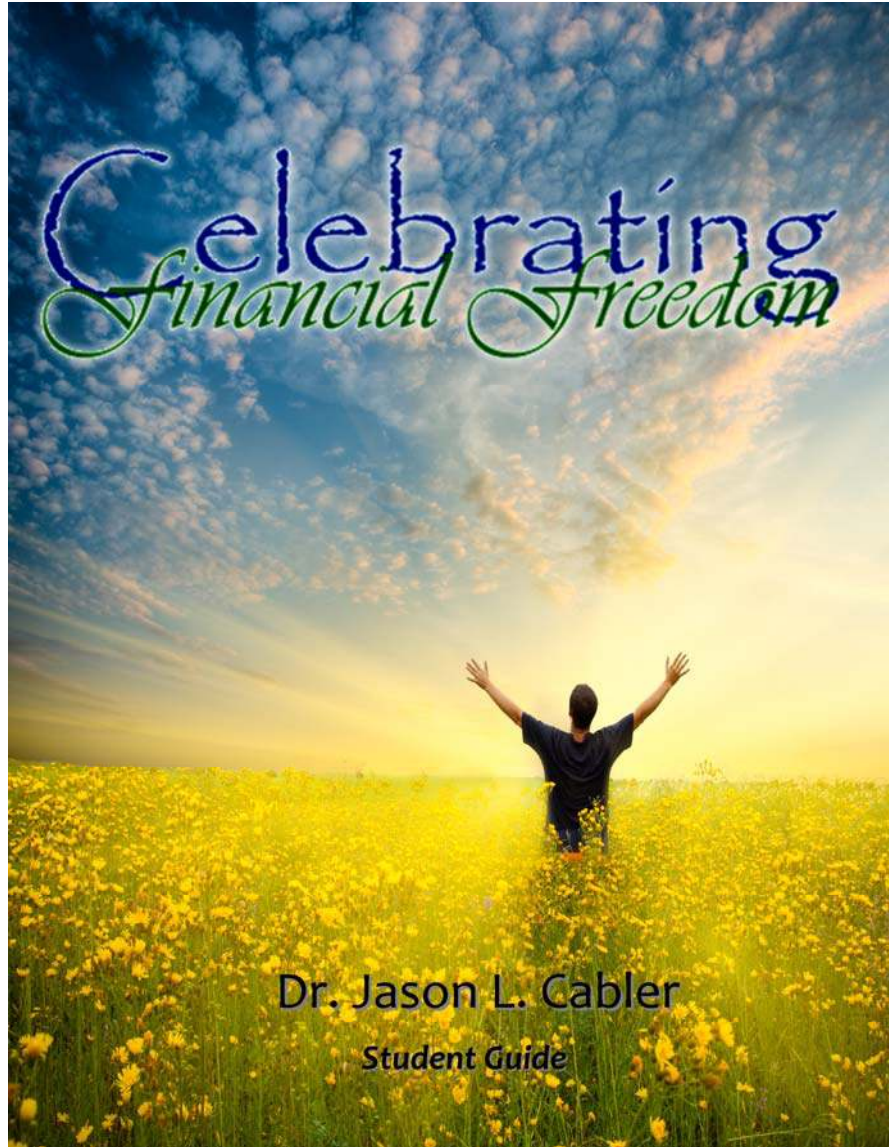


# Welcome to the Celebrating Financial Freedom “*Monthly Spending Plan*”!



**[www.CFinancialFreedom.com](http://www.CFinancialFreedom.com)**

Within these pages you will learn how to put together your own customized monthly spending plan (yes, a budget) so you can start taking control of how you use your money every single month and begin living a new and better financial life starting TODAY!

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First off, I know you probably have some questions and concerns when it comes to starting up with a Monthly Spending Plan, so let's get those addressed right now.

**What is a Monthly Spending Plan?**- Easy. A Monthly Spending Plan is what most people refer to as a "budget". Yes, I know that is a dirty word for most people, but guess what? Most people are broke. Why are most people broke? It's because they don't make any effort to make a consistent plan for their money. When you have a regular plan and you stick to it, you automatically start the process of having some financial discipline in your life, and you start the process of winning with money. It's that simple.

**Why Do I Need a Monthly Spending Plan?**- You need a spending plan because if you're like most people, you have no idea where all your money goes and you let a lot of it just [leak away](#) because you don't have complete control over it.

A Monthly Spending Plan allows you to find out where those leaks are and plug them, so those leaks don't eventually become a flood. When you're able to exercise control over your money, then it won't exercise control over you.

**But I'm Scared...Why?-** When most people hear the word “budget” they don’t like it, it sends shivers up their spine. When most people think of that word they think of restriction, deprivation, and suffering. The word “budget” to most people means they can’t have any more fun or freedom, it’s time to buckle down and eat rice and beans and cut off the cable TV.

But a monthly spending plan is not about that at all. It’s about freeing yourself from the tyranny of wondering where it all went when there’s more month left than there is money. It’s about the freedom of knowing how much you have to spend and not adding to your stressful debt load because what’s going out is equal to what’s coming in.

It’s about gaining control of your situation and changing your life for the better because you decided it was time to quit fooling around and start succeeding with your money.

Yes, [change is scary and sometimes hard](#), but it’s rarely as hard as you think it’s going to be.

When it comes down to it, this is the kind of change that will make your life better in the long run. It will give you [freedom and hope](#), and that’s a good deal.

**What Does It Do For Me?-** A Monthly Spending Plan allows you to put a name on every dollar so you can use your money as efficiently as possible and eliminate waste due to the little [money leaks](#) that easily go unnoticed and can really add up over time.

A Monthly Plan is important for you to do every single month, and it's especially important if you're trying to get out of debt. You'll find that if you make a consistent effort and stick to it, you'll discover money you didn't know you had.

You'll be able to see where money is being wasted and you can eliminate that waste as you see fit by spending less in that area, or by putting it somewhere else (like into savings, paying down debt, or wherever else you'd like to put it).

Whether your situation is completely off the rails or it just needs a little tweaking, a Monthly Spending Plan helps you get back on track.

**How Do I Get Started?**- The absolute first thing you have to do is *decide*. You have to decide that *now is the time* to do something different. Now is the time to take control and *become committed* to getting control of your money. Deciding to commit to the process and [form new habits](#) is the essential first step to having a successful plan.

Next, you have to be honest. Sit down with the monthly spending plan forms and fill them out to the best of your ability. Be as honest as possible, and remember, budgeting is a dirty process, it's never 100% perfect and you *will* have some difficulty at first because you probably haven't done much financial planning before (if at all).

YOU WILL NOT GET IT RIGHT THE FIRST TIME!!!

...or the second, or the third. But as you do it every month it will get easier, it will take less time, and it will make more sense to you. Eventually it will become second nature. I had the same difficulty when

I started this stuff too. So keep focused and eventually it will make sense.

It's just like when I learned how to ride a bike. I was shaky and unconfident at first, but after a few months I was jumping ramps like Evel Knievel.

So now that I've addressed some initial concerns and questions, we can get into the actual process of putting together a plan. Below you'll find directions on how to get started and a sample Monthly Spending Plan that will give you a pretty good idea of how yours might look.

### The Plan

The Monthly Spending Plan is a ZERO BASED spending plan, which means that you will spend every single dollar on paper before you spend it in real life. This is what helps you make sure that the money GOING OUT is equal to the money COMING IN.

There is a category in this plan for most anything you would spend money on in a normal month. Some of these categories you'll just leave blank because you don't normally spend money on these things.

The sample plan on the next three pages is based on a \$5,000 monthly household TAKE HOME income. Your monthly take home income may be more or less and that's OK, this is just an example to get you started.

This plan will work whether you make \$100 or \$100,000 a month.

## Directions

1. Scroll down to page 3 of the sample Monthly Spending Plan. At the bottom of the page you will see entered a total monthly income (\$5,000) in the “Grand Total” column.
2. Next, note the blanks filled in for each different category. If there is a category you don’t use, you would leave it blank.
3. If you have a bill that you pay every six months or once a year (such as life insurance or car insurance) divide the yearly cost by 12 to get how much that bill will cost you each month. For example, if your life insurance is \$120 per year, put \$10 (\$120 divided by 12 months) in the blank. You can keep that money as cash in an envelope or in a separate bank account used to pay that bill when it comes due.
4. When page one is finished being filled out, you add everything up and enter the total on the “page 1 totals” line.
5. Do the same for pages 2 and 3.
6. Once you have your total for each page, you will enter those totals at the bottom of page 3 and add them up to get a grand total. That grand total should be equal to the “total household income” you entered earlier on page 3.

As you can see in this example, the \$5,000 grand total (which is the money going out) minus the \$5,000 income (the money coming in) will equal ZERO. Why does it need to equal zero? So that you are NOT spending more than you make and so that every dollar has a place to go. When you know where every dollar is going you don’t have to spend time wondering what happened to all of your money. Your money will begin ACTUALLY making sense to you.



# Monthly Spending Plan (Example)

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Charity</u></b>			
Tithe	<u>500</u>		<u>          </u>
Offering	<u>25</u>		<u>          </u>
Other <u>                    </u>	<u>          </u>	<u>525</u>	<u>          </u>
<b><u>Savings</u></b>			
Emergency Fund	<u>150</u>		<u>          </u>
Retirement Fund (IRA,401k, etc.)	<u>          </u>		<u>          </u>
College	<u>          </u>	<u>150</u>	<u>          </u>
<b><u>Food</u></b>			
Groceries	<u>400</u>		<u>          </u>
Restaurants	<u>75</u>	<u>475</u>	<u>          </u>
<b><u>Utilities</u></b>			
Home Phone	<u>          </u>		<u>          </u>
Cell Phones	<u>100</u>		<u>          </u>
Cable	<u>50</u>		<u>          </u>
Trash	<u>25</u>		<u>          </u>
Electric	<u>150</u>		<u>          </u>
Gas	<u>75</u>		<u>          </u>
Water	<u>40</u>	<u>440</u>	<u>          </u>
<b><u>Housing</u></b>			
House Payment/Rent	<u>800</u>		<u>          </u>
Second Mortgage	<u>          </u>		<u>          </u>
Homeowner's Insurance	<u>50</u>		<u>          </u>
Real Estate Taxes	<u>50</u>		<u>          </u>
Furniture	<u>          </u>		<u>          </u>
Repairs	<u>          </u>		<u>          </u>
Maintenance Fees	<u>          </u>		<u>          </u>
Other <u>                    </u>	<u>          </u>	<u>900</u>	<u>          </u>
<b><u>Medical/Dental</u></b>			
Medicine	<u>100</u>		<u>          </u>
Insurance	<u>350</u>		<u>          </u>
Dentist Bill	<u>70</u>		<u>          </u>
Doctor Bill	<u>          </u>		<u>          </u>
Eye Doctor	<u>          </u>	<u>520</u>	<u>          </u>
<b>Page 1 Totals</b>		<u>3010</u>	<u>          </u>



## Monthly Spending Plan (Example p.2)

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Transportation</u></b>			
Car Payment 1	350		
Car Payment 2			
Fuel	460		
Car Insurance	100		
Repairs, Maint., Tires	100		
Car Replacement			
License, Fees, Taxes	30		
Bus, Cab, Train Fares		1040	
<b><u>Insurances</u></b>			
Life Insurance	25		
Disability Insurance			
Pet Health Insurance		25	
<b><u>Clothing</u></b>			
Adults	75		
Children	50	125	
<b><u>Recreational</u></b>			
Vacation			
Entertainment	50	50	
<b><u>Educational</u></b>			
Day Care			
School Tuition			
School Supplies	30	30	
<b><u>Various</u></b>			
Babysitter			
Child Support			
Alimony			
Club/Org. Dues			
Cosmetics	30		
Toiletries	30		
Gifts (Including Christmas)	75		
Subscriptions			
Hair Care	75		
Other _____			
Other _____			
Other _____			
Other _____			
Discretionary	100	310	
<b>2<sup>nd</sup> Page Totals</b>		1580	





## Monthly Spending Plan (Example p.3)

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Debt Reduction</u></b>			
Student Loan 1	125		
Student Loan 2			
Finance Company 1			
Finance Company 2			
Credit Line 1	100		
Credit Line 2			
MasterCard 1	75		
MasterCard 2			
Visa 1			
Visa 2			
Discover Card 1	50		
Discover Card 2			
American Express 1			
American Express 2			
Dept. Store Card 1			
Dept. Store Card 2			
Gas Card 1			
Gas Card 2			
Family Member Loan 1	60		
Family Member Loan 2			
Other _____			
Other _____			
Other _____			
Other _____		410	
<b><u>3<sup>rd</sup> Page Totals</u></b>		410	
<b><u>2<sup>nd</sup> Page Totals</u></b>		1580	
<b><u>1<sup>st</sup> Page Totals</u></b>		3010	
<b><u>Grand Total</u></b>		5000	
<b><u>Minus Total Household Income</u></b>		5000	
<b><u>Equals</u></b>		0	

## Ok, Now You Completely Understand it, Right?

Of course I'm joking. I don't expect you to totally get it just yet. Like I said, it will take time. So take a deep breath and remember, the more you do it the more you'll get it.

Look over the sample Spending Plan again if you need to. Look over it several times and try and really see what's going on, don't just go over it quickly and say to yourself "I don't get this stuff".

If your eyes are glazing over after the first couple of times, then come back to it later. You might have to sit down with it a few times before it starts making some kind of sense to you. You'll see something different every time you look at it and eventually the pieces will start coming together.

## More Questions

By now I'm sure you have a few more questions. So let's get those out of the way and I'll see if I can clear up a few things for you.

### **What if I Have No Idea What I Normally Spend on a Particular**

**Category?**- Just estimate it as close as you can and write it in the blank. As you do it more you'll get a better feel for what you need in every particular category every month.

**What About Surprise Expenses?**- Sometimes surprises can come up during the month that you just could not predict if you tried. But if you

are sticking to the plan and putting money back for things like home repairs, car repairs, etc. these don't set you back because you have prepared for them in advance.

Still, things can come up that don't really fit into any category and are just plain unpredictable. What do you do about those? You plan for the unpredictable by putting some money into the "discretionary" category at the bottom of page 2, or you can write in "Surprise Expenses" in the blank beside one of the categories I've labeled as "Other" also at the end of page 2.

**What Happens After I Fill Out My Plan?**- Once you have your Monthly Spending Plan filled out, that is your blueprint for the month.

Now you can go ahead and start paying your bills and sending the money where it needs to go. Just remember to stick to the plan.

**What Do I Do With the Cash I Need During the Month?**- Here's what I do: I add up all the categories for which I need cash during the month and I take it out of the bank. I then divvy it up into envelopes and spend money out of those envelopes. For example, my wife and I have envelopes for Gas, Groceries, Clothing, Eating Out, Entertainment, and several others.

Since we don't use credit cards this is what works best for us. If we use up all the money in a particular envelope before the month is over then we don't spend any more on that category.

That forces us to be aware of what we're spending so the money will last the entire month, but it also has the added effect of ensuring that we don't spend more than we make.

If you use this "Envelope Method" it might be a little difficult at first until you get good at knowing what you should be spending every month, but this too will get easier as time goes on.

**What if an Envelope is Emptied Before the End of the Month?**- If you get to the middle of the month and an envelope is empty, then one of two things probably happened. Either you budgeted too little or you spent too much.

At that point you need to be honest with yourself. You need to decide if that category is one where you need better self control, or did you just underestimate how much you needed.

If you have a family of four and you budgeted only \$200 for groceries, you need to put more in that category, your family needs to eat. But if you put \$400 in your entertainment envelope and you burned through it in the first two weeks, then you may want to reevaluate your priorities and make some changes.

We've been using the envelope system for many years now and it works well for us, but sometimes we still run out of money in an envelope before the end of the month. If that happens, we don't spend any more on that category until next month.

However, sometimes we may pull money out of another envelope if we feel the need.

For instance, if we decide we want to go see a movie but the “entertainment” envelope has run dry, we may take some from the “Eating Out” envelope, and that’s ok, we’ll just be eating out less this month. We made the decision that today a movie is more important than a meal at a restaurant and we found a way to pay for it without using money we didn’t have (i.e. credit cards)

But you can’t get stupid with it. You DO NOT take money out of the “Gas” envelope to eat out or see a movie. You DO NOT take money out of the “Groceries” envelope to buy cute shoes or go play a round of golf. Those are necessities you shouldn’t be messing around with.

**What if I Don’t want to Use the Envelope System?**- There are other ways you can keep up with your spending categories without stuffing envelopes with cash.

You can open an account with [ING Direct](#) or [Ally Bank](#). These are web based banks that offer accounts that are highly customizable. You can set up an account with as many subcategories as you like and allocate money to those categories just like you would fill an envelope.

Every time you make a purchase with your debit card, you go online through a smartphone app or computer and designate which category your purchase was from, and the money is taken out of that category, sort of like using a virtual envelope system.

There are also smartphone apps out there that do the same thing but are not tied to any particular bank ([Mint.com](#) is the most popular one). You just set up your accounts with your spending categories on their

secure site and it works the same as the banking sites mentioned above.

**So What Do I Do Now?**- Now is the time to get started putting together your own plan. On the following pages you will find blank Monthly Spending Plan pages for you to fill out on your own.

You will need to print them off (make sure to print only pages 15,16,17) and use a pencil to fill out the sheets (so you can erase as needed). I recommend printing out multiple copies so you will have enough forms handy for the next few months. That way you don't have the psychological barrier of having to start up the computer, open the file, and print out new forms every time.

Remember, this is about forming new habits, so the fewer barriers in your way the better.

Ok, it's time to get down to business and fill out your own customized plan. Remember, you won't get it right the first few months and it's never 100% perfect. So take a deep breath, don't stress, and just do it. You'll get the hang of it.

If you have any questions or just can't figure something out with this whole Monthly Spending Plan thing, feel free to email me at: [jasoncabler@cfinancialfreedom.com](mailto:jasoncabler@cfinancialfreedom.com)



## Monthly Spending Plan

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Charity</u></b>			
Tithe	_____		_____
Offering	_____		_____
Other _____	_____	_____	_____
<b><u>Savings</u></b>			
Emergency Fund	_____		_____
Retirement Fund (IRA, 401k, etc.)	_____		_____
College	_____	_____	_____
<b><u>Food</u></b>			
Groceries	_____		_____
Restaurants	_____	_____	_____
<b><u>Utilities</u></b>			
Home Phone	_____		_____
Cell Phones	_____		_____
Cable	_____		_____
Trash	_____		_____
Electric	_____		_____
Gas	_____		_____
Water	_____	_____	_____
<b><u>Housing</u></b>			
House Payment/Rent	_____		_____
Second Mortgage	_____		_____
Homeowner's Insurance	_____		_____
Real Estate Taxes	_____		_____
Furniture	_____		_____
Repairs	_____		_____
Maintenance Fees	_____		_____
Other _____	_____	_____	_____
<b><u>Medical/Dental</u></b>			
Medicine	_____		_____
Insurance	_____		_____
Dentist Bill	_____		_____
Doctor Bill	_____		_____
Eye Doctor	_____	_____	_____
<b>Page 1 Totals</b>		_____	_____



## Monthly Spending Plan ( p.2)

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Transportation</u></b>			
Car Payment 1	_____		_____
Car Payment 2	_____		_____
Fuel	_____		_____
Car Insurance	_____		_____
Repairs, Maint., Tires	_____		_____
Car Replacement	_____		_____
License, Fees, Taxes	_____		_____
Bus, Cab, Train Fares	_____	_____	_____
<b><u>Insurances</u></b>			
Life Insurance	_____		_____
Disability Insurance	_____		_____
Pet Health Insurance	_____	_____	_____
<b><u>Clothing</u></b>			
Adults	_____		_____
Children	_____	_____	_____
<b><u>Recreational</u></b>			
Vacation	_____		_____
Entertainment	_____	_____	_____
<b><u>Educational</u></b>			
Day Care	_____		_____
School Tuition	_____		_____
School Supplies	_____	_____	_____
<b><u>Various</u></b>			
Babysitter	_____		_____
Child Support	_____		_____
Alimony	_____		_____
Club/Org. Dues	_____		_____
Cosmetics	_____		_____
Toiletries	_____		_____
Gifts (Including Christmas)	_____		_____
Subscriptions	_____		_____
Hair Care	_____		_____
Other _____	_____		_____
Other _____	_____		_____
Other _____	_____		_____
Other _____	_____		_____
Discretionary	_____	_____	_____



2<sup>nd</sup> Page Totals



## Monthly Spending Plan ( p.3)

<u>Item</u>	<u>Amount Budgeted</u>	<u>Total</u>	<u>Actually Spent</u>
<b><u>Debt Reduction</u></b>			
Student Loan 1	_____		_____
Student Loan 2	_____		_____
Finance Company 1	_____		_____
Finance Company 2	_____		_____
Credit Line 1	_____		_____
Credit Line 2	_____		_____
MasterCard 1	_____		_____
MasterCard 2	_____		_____
Visa 1	_____		_____
Visa 2	_____		_____
Discover Card 1	_____		_____
Discover Card 2	_____		_____
American Express 1	_____		_____
American Express 2	_____		_____
Dept. Store Card 1	_____		_____
Dept. Store Card 2	_____		_____
Gas Card 1	_____		_____
Gas Card 2	_____		_____
Family Member Loan 1	_____		_____
Family Member Loan 2	_____		_____
Other _____	_____		_____
Other _____	_____		_____
Other _____	_____		_____
Other _____	_____		_____
<b><u>3<sup>rd</sup> Page Totals</u></b>		_____	_____
<b><u>2<sup>nd</sup> Page Totals</u></b>		_____	_____
<b><u>1<sup>st</sup> Page Totals</u></b>		_____	_____
<b><u>Grand Total</u></b>		_____	_____
<b><u>Minus Total Household Income</u></b>		_____	_____
	<b><u>Equals</u></b>	0 _____	

## **Spread the Word**

If you found this Monthly Spending Plan helpful to you, please make sure to pay it forward and send it to someone who you think can benefit from it.

You will help me out tremendously and encourage me to produce similar helpful material in the future if you tell your friends about my website and blog. You can also connect with and follow me on Facebook, Twitter, Google+, and Pinterest.

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