

# CREATING A BUDGET: FINANCIAL PLANNING CHECKLIST

Creating and following a budget is a great way to get a handle on how much money is coming in and going out each month and to make sure you have money available for the things that matter most.

## DOWNLOAD OUR BUDGET WORKSHEET.

Use it as a guide to complete the next steps in this financial planning checklist.

<https://www.northwesternmutual.com/financial-guidance/planning-priorities/creating-a-budget/monthly-budget-sheet>



## FIGURE OUT HOW MUCH YOU TAKE HOME EACH MONTH AFTER TAXES.

## CALCULATE YOUR ESSENTIAL MONTHLY EXPENSES.

- Housing
- Health care & insurance
- Transportation
- Household/Personal (groceries, cellphone)
- Personal loans (credit card & student debt)
- Child care

## CALCULATE YOUR DISCRETIONARY SPENDING EACH MONTH.

If you're not sure how much you're spending on the nice-to-haves, download a budgeting app and track these expenses for three months to get a clear picture.

- Cable, phone and internet
- Hobbies
- Dining out
- Vacations
- Movies
- Gifts/Contributions

## WRITE DOWN HOW MUCH YOU PUT TOWARD SAVING & INVESTING EACH MONTH.

- Emergency fund
- Other savings and investments
- College savings
- Retirement savings

## COMPARE YOUR SPENDING TO THE 20/60/20 BUDGET RULE.

- **20 percent** for saving and investing
- **60 percent** on essential expenses
- **20 percent** on discretionary expenses

## TRACK YOUR PROGRESS.

Set yourself up for success by automating payments, using a budget app or having an accountability partner to help keep you on track.

## MAKE ADJUSTMENTS.

With 20/60/20 as a guide, commit to a budget that allows you to contribute to your goals for the future, afford the things you need today and still have money left for what you want.

## REVISIT YOUR BUDGET.

Life happens. As your circumstances change (new job, pay raise, marriage, divorce or kids), make adjustments to your budget.

