



# Budgeting

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**SmartWithMyMoney.nd.gov**  
*North Dakota*



# What is a budget?

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A plan to help you:

- Manage spending
- Save
- Meet financial goals





# Budgeting

# A typical budget usually includes

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- **Income:** money coming in
- **Fixed expenses:** regular, predictable expenses
- **Variable expenses:** costs that can fluctuate from month to month
- **Savings:** money set aside for future goals
- **Debt repayment:** existing debts
- **Surplus:** money left over
- **Deficit:** overspending

# More examples of budget categories

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- Rent/mortgage
- Groceries
- Savings
- Entertainment
- Emergency fund
- Debt repayment
- Donations
- Transportation
- Unexpected expenses
- Pet expenses
- Clothing
- Beauty
- Sinking fund
- Fitness
- Childcare
- Insurance
- Other





# Getting started with budgeting

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1. Calculate income
2. Track expenses
3. Identify adjustments needed





# Budgeting methods

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**50/30/20 Rule:** Set aside 50% of your income for needs (essentials), 30% for wants, and 20% for savings or debt repayment.

**Zero-based Budget:** Every dollar of your income is assigned a purpose, so the total income minus all expenses equals zero. This is great for getting a more detailed, intentional approach to every dollar.

**Envelope System:** For categories where you tend to overspend (like dining out), you put cash in envelopes and only spend what's in each envelope.

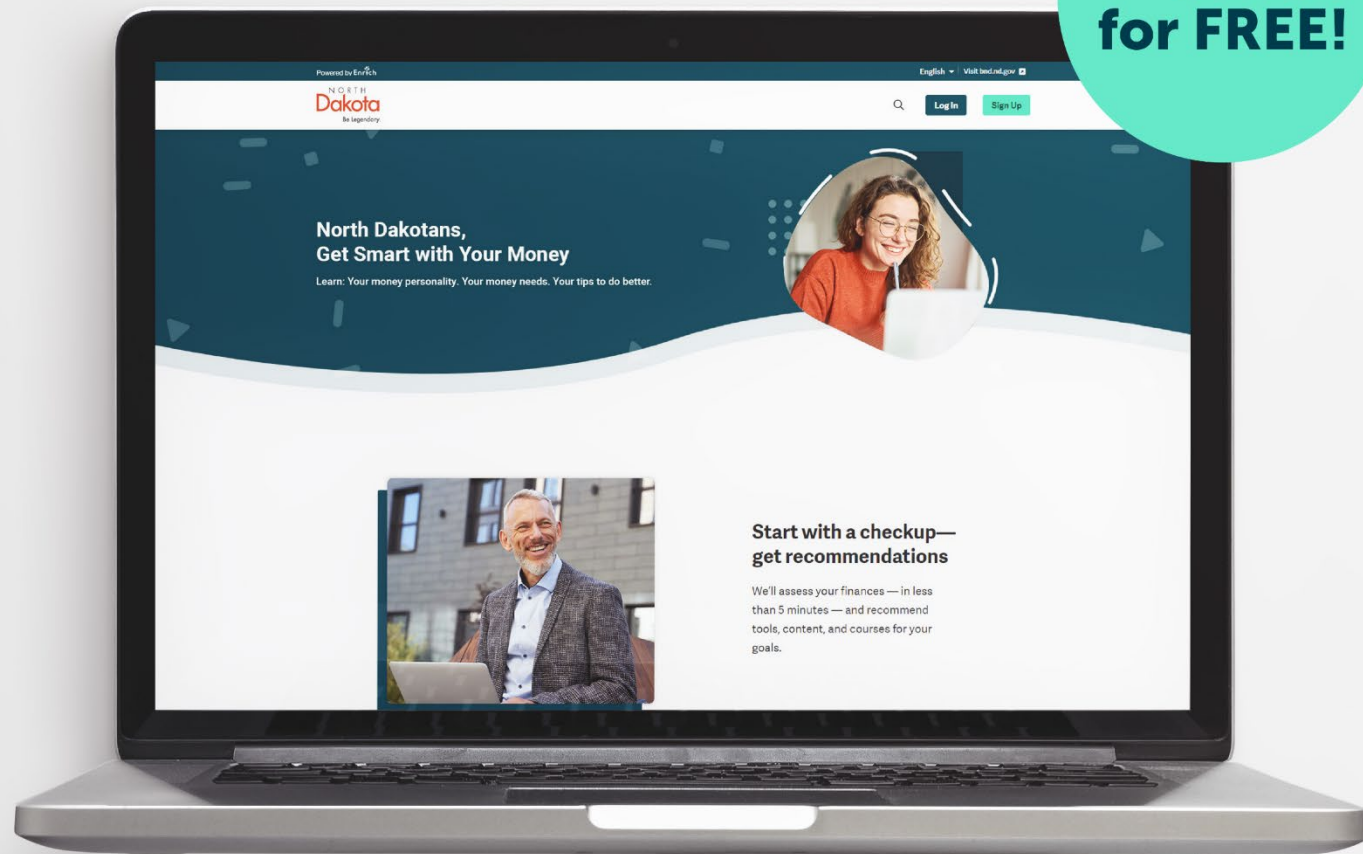
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# Budget tool exercise

1. Go to “Budget tool” on SmartWithMyMoney.nd.gov
2. Enter income(s)
3. Calculate expenses and sort into categories

Powered by Enrich

NORTH Dakota

Be Legendary.

English>Welcome

Log InSign Up

Your Budget

Set up your budget to set goals, plan for expenses, and keep your finances on track.

Monthly Income

How much do you earn every month?

Your Job

Your Spouse or Partner's Job

Other

+ Add New Income

Monthly Saving & Goals

What goals are you saving for?

GOALS

Emergency Fund

New Car

House Down Payment

OVERVIEW

ANALYSIS

RESOURCES

Budget Status

Balanced

+ Income

\$0.00

- Saving & Goals

\$0.00

- Expenses

\$0.00

Monthly Net

\$0.00

What it Means

Nice! Your monthly net is currently \$0 , which means your budget is in perfect balance between income and expenses. If you can find additional sources of income or identify ways you can cut back on your expenses, you'll have extra money in your pocket each month.



# Group discussion

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If you have a surplus, provide financially healthy things you can do with the extra money.

If you have a deficit, provide ideas to cut down on expenses.