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Power Down Debt

384 Montague City Road
Montague City, MA 01376

Finally, a Painless, Fail-proof Budget

Ask yourself how much money you need monthly?

I bet you began to add up your monthly bills in your head, right? But what about holiday expense, that Latte at the corner market, that occasional trip to the casino etc.? You see where I'm headed with this?

Did you ever wonder why the vast majority of budgets fail?

If you're like most people, you've experienced the dreaded process of mapping out your expenses, creating a budget, being able to 'stick to it' for a brief period, and then the inevitable failure. Most folks would rather have a root canal than make a budget – and who could blame them.

No matter whether you're planning to purchase a new home, start a business, or just feel more in control of your finances, you'll need to figure out what your current realistic expenditures.

That's where the 'Cookie Jar Budget' comes in.

The reason most budgets fail is that we design them first, and *then* we try to stay within their boundaries. This leaves us feeling restricted at first and ultimately defeated.

The solution of course is to make a budget that is a **product of your actual expenses**. Then, you can feel confident that ALL your expenses are accounted for, and you can begin to see where you can cut back, add to savings etc.

Here's the simplest and most successful budget method I know.

1. Decide on a container. A cookie jar will work fine.
2. For at least 30 days, instruct everyone in your family that they are to spend EXACTLY as usual, and they are to get a receipt for **every little thing**. Buy a coke? Get a receipt. Newspaper? Receipt. No punishment or criticism. You get the idea.
3. At the end of each day, every family member puts all their receipts in the jar. Leave them in the jar for the entire month. You may wish to do this for a few months just to get a more even feel for things, but I promise you that even after one month, you will discover all sorts of surprises, and you will feel more in control of your finances.
4. At the end of each month, total up the receipts and categorized them. Also, be sure to account for one time expenses, gifts, lottery etc., and to prorate quarterly or yearly expenses such as insurance. Then tally them up, and subtract the total from your monthly net income. If you have a surplus, perhaps you can boost your savings. A deficit, don't panic. Now you can really see where to cut expenses.

Note: To learn how to pay off ALL your debt, (including your mortgage) in 5-8 years on average, WITHOUT increasing your payments, OR harming your credit, call Frances at PowerDownDebt 413-774-5555 for a free, no obligation debt analysis.



"Cookie Jar Budget System"

Frances Rahaim, Ph.D. 413-774-5555

Part #1

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Home Mtg. or Rent												
2nd Mtg. / Equity Line												
Electricity												
Cable												
Telephone												
City Water												
City Sewer												
Heating Oil / Wood												
Nat. Gas / Propane												
Trash Removal												
Real Estate Taxes												
Condo / Subdiv. Fees												
Timeshare exp.												
Homeowners Insurance												
Home Furnishings												
Improvements / Maintenance												
Housing Total												
Auto Loan / Lease												
Gas and Tolls												
Repairs												
Maintenance												
Auto Insurance												
Cellular Phone Bill												
Excise Tax on Auto												
Transportation Total												
Dependent Support												
Day Care												
Baby-sitting												
Family Care Total												

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Groceries Total												
Clothing Purchases												
Accessory Purchases												
Dry Cleaning												
Alterations												
Clothing Total												
Health / Dental Insurance												
Uncovered Medical Exp.												
Uncovered Dental Exp.												
Prescriptions												
Non-Presc. Drugs												
Medical / Dental Total												
House Cleaning												
Garden Expenses												
Personal Beauty Care												
Personal Beauty Care Total												
Newspapers / Magazines												
Subscriptions												
Educational Courses												
Exercise Expenses												
Self Improvement Total												
Dining Out												
Entertainment												
Gambling / Lottery												
Smokes and Alcohol												
Entertainment Total												
Charitable Contributions Total												

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Vacations / Travel Total												
Gifts Total												
Fees / Dues Total												
Credit Card Payments												
Other Installment Payments												
Installment Total												
Life Insurances												
Disability Insurances												
Long Term Care Insurances												
Other Insurances												
Insurance Total												
Pension / 401K Contributions												
Contributions to Mutual Fund etc.												
Other Contributions												
Total Savings Contributions												
Pet Supplies												
Veterinarian Bills												
Total Pet Expenses												
Investment Property Mortgage												
Expenses												
Income												
Net Monthly Gain / Loss												

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Misc.												
Misc.												
Misc.												
Misc. Total												
Federal Taxes												
State & Local Taxes												
F.I.C.A.												
Medicare												
Self Employment Tax												
Quarterly Tax Payments												
Personal Property Tax												
Taxes on Interest Earned												
Total Taxes												
Total Monthly Income												
Total Monthly Expenses												
Surplus												
Deficit												
Additional Savings Goal												