Personal Finance

Mr. Parker

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4/8/2022

Creating a budget

Begin the budgeting process by listing your short-term and long-term financial goals

* My short-term goal is to start being more financially aware of my spending even after this class is over, so far I’ve just been mentally keeping track of my spending and that has gone pretty well so far
* My long-term goal is to pay off my student loans ASAP

What will it take to achieve your short-term and long-term goals?

* My short-term goal will require me to pay attention and actually retain the information from this class as well as adding these new behaviors and thought processes to my daily life
* My long-term goal likely requires me to complete my short term goal, I will also need to live with very little spending to pay off my loans as fast as I wish to

What limitations and opportunities do you have for meeting them?

* My greatest limitation is likely my difficulty adding new behavior to my daily routine when I hardly have a routine to begin with

What time period and frequency would you choose to check your progress? (weekly? monthly, quarterly, annually?)

* Monthly, I get paid monthly and doing it at a larger scale just isn’t feasible with my current knowledge of my spending. I’ve been living away from my parents for less than a year, I don’t know what my spending habits are.

Table

Description automatically generatedGather your financial data in some kind of expense/expense tracker or ledger.  You should have information for at least the previous quarter and preferably for the previous year. (Include a screen shot in your submission from that ledger)

Select a budget template (or create your own budget spreadsheet - see the examples in the chapter) for a comprehensive budget (combining operating and capital budgets), while distinguishing recurring incomes and expenses from nonrecurring capital expenditures) for the next year.

* I will be making my own template, I tried using an excel template but it did not feel applicable to my current state in life

On what bases will you make projections about your future incomes and expenses?

* My projections will be based purely on my spending history over my time at Neumont. I feel like I haven’t fallen into any patterns of spending yet so my data isn’t going to be very helpful and my budget is going to be bad.

How does your budget sheet relate to your income statement, your cash flow statement, and your balance sheet? (See Chapter 3)

* My budget is a plan for the future while all those documents are recordings of what has already happened in the past

How will you use past history to develop a budget to meet your short-term and long-term goals?

* I’m going to look at all my spending in all these different categories, figure out which ones are necessary and then lower then allot myself like 10% more money for necessities and 10% less money from all my unnecessary categories, any budget cutbacks that don’t go into necessary spending will go to savings