

## Message From the Dean



### BUDGETING

OK, students. It's time for a little pop quiz:

What is a "budget?"

- (A) A cult following of fans at an indie rock concert
- (B) A tool for managing income and expenses
- (C) A type of flower that only grows in Carrollton, Ky.

Well, how'd you do? I must say that I'm very surprised. It looks like a number of you chose "C," with "A" coming in a close second. Students, I think we need to have a small discussion before I reveal the correct answer.

Formulating a budget for you and your family can be as simple as understanding your net worth. For example, I usually know what my paycheck looks like each month and I have a pretty good grasp on all my monthly expenses. Now, if I simply take my income and subtract fixed expenses like my house payment, car payment, utilities and food, I end up with a number that lets me know how much I have left to spend on "other" items.

Now here's the complex part that can really get you in trouble: Many of us don't realize how much we actually spend on the "other." Well, it all adds up. \$20 from the ATM, eating out on a regular basis, \$4 for bottled water at a concert — you get the picture. Trust me: Any amount that you save today pays dividends tomorrow.

So, what have you learned? That's right — the best way to manage your spending is to have a budget, which is a tool for managing income and expenses. And if your answer was "B," then you're well on your way.

U for You.

*The Dean*

### BUDGETING

#### INCOME

Take-home pay \$\_\_\_\_\_

#### FIXED EXPENSES

Home payment \$\_\_\_\_\_

Auto payment \$\_\_\_\_\_

Utilities (electric, gas, water, phone, cable) \$\_\_\_\_\_

Insurance (home, auto) \$\_\_\_\_\_

Food (groceries, dining out) \$\_\_\_\_\_

Gas \$\_\_\_\_\_

Child care \$\_\_\_\_\_

Clothing \$\_\_\_\_\_

Credit cards \$\_\_\_\_\_

Other (lawn, housekeeping, dry cleaning, gifts, entertainment, cash spending, etc.) \$\_\_\_\_\_

Total expenses \$\_\_\_\_\_

Net (income minus total expenses) \$\_\_\_\_\_