

6 STEPS

To Establishing a Spending and Savings Plan

A Spending and Savings Plan, aka a budget, is a tool that allows you to have a clear view of your finances, set financial goals and priorities, and positions you to make informed financial decisions that are best for you and your loved ones.

Follow these six steps to establish your unique spending and savings plan.



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1

Determine Your Net Monthly Income

Whether your income varies or the amount is set like clockwork, the first step is to determine your take-home income each month. Start with your net monthly income and be as close to your actual take-home pay as possible. A few things to consider: How many times will you get paid this month? If your income varies, what is the minimum baseline that you will bring home? Outside of your employment, are there other streams of income to include?

2

Calculate Your Monthly Expenses

Don't try to do this in your head; access your last 3-6 months of bank statements to determine what you TRULY spend. Categorize your spending into fixed, variable, and discretionary spending.

3

Fill Out The Spending And Savings Plan

Once you have determined your income and reconciled your expenses, it's time to input that information into the Veteran Saves Spending and Savings Tool or another form, spreadsheet, or software of your choice.

4

Assess Your Financial Landscape

Now that you have clarity around your income and expenses, you can make informed decisions about how to move forward. Questions to ask yourself include: Does your income exceed your expenses? Are there expenses or spending areas that you can adjust or eliminate? How do you want to direct leftover funds? (Hint: this is where you can incorporate new savings goals or giving)

5

Implement Your Plan

Now it's time to decide how to implement this new spending and savings plan! Consider what works best for your personality and/or family. Maybe that's separate accounts or a cash system for certain things like entertainment. One thing that you don't want to skip is to ensure that you are saving automatically.

6

Be Consistent

Stay proactive. Review your spending and savings plan monthly, at minimum, but weekly is even better! Have a 'Money Date' or scheduled financial wellness check-in and invite any significant others with whom you make financial decisions. This allows you to make adjustments and tweaks in real-time.

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