

WORKSHEET #8

Making Your Money Work for You-Monthly Net Income

Unlike Worksheets 1 through 3, we are going to work with your net take-home pay (*that is, your income AFTER taxes and other items that are deducted from your paycheck*) in the following Worksheets.

	AVERAGE MONTHLY AMOUNT	
	YOURSELF	CO-BORROWER
If you are paid weekly: \$ _____ x 52 divided by 12 =	\$	\$
If you are paid every other week: \$ _____ x 26 divided by 12 =	\$	\$
Second job	\$	\$
Bonuses/tips	\$	\$
Alimony, child support, or other maintenance income	\$	\$
Pension/Social Security benefits	\$	\$
Dividend/interest earnings	\$	\$
Business earnings	\$	\$
Veterans Administration benefits	\$	\$
Unemployment compensation	\$	\$
Public assistance	\$	\$
Other	\$	\$
Other	\$	\$
Total for Each Co-Borrower	\$	\$
Grand Total = Monthly New Income	\$	

WORKSHEET #9

Making Your Money Work for You-Monthly Expenses

HOUSING EXPENSES	
Mortgage Payment	\$
Homeowner association or condo fee <i>(if applicable)</i>	\$
Utilities:	
• Gas	\$
• Electricity	\$
• Water	\$
• Oil	\$
• Other	\$
Home Maintenance Allowance ***	\$
Total Housing Expenses	\$
Other Expenses	
Food	\$
• Groceries	\$
• Meals away from home <i>(including daily lunch)</i>	\$
Child care or child support	\$
Transportation	
• Car payment(s)	\$
• Car insurance premium	\$
• Car maintenance and gas	\$
• Parking, tolls, etc.	\$
• Public transportation fees	\$
Credit Cards	
• Card #1	\$
• Card #2	\$
• Card #3	\$
Communication	
• Telephone	\$
• Internet service provider fee	\$
Education	
• Student loan	\$
• Tuition/School fees	\$
Clothing	\$
Entertainment	
• Cable TV	\$
• Video/DVD rentals	\$
• Sports, concerts, movies	\$
• Other	\$
Pets	
• Food/toys	\$
• Vet care	\$
Charity/Church	\$

BECOMING A SUCCESSFUL HOMEOWNER

Medical	
• Expenses not covered under insurance plan	\$
• Medications/Prescriptions	\$
Emergency Fund***	\$
Cash Outlays	\$
Other	\$
Other	\$
Other	\$
Total Other Expenses	\$
Grand Total of All Monthly Expenses	\$

*** Remember to set aside funds each month for a home maintenance allowance – of around 1% of the purchase price of your home. For example, if you are paying \$96,000 for your home, you should save 1% of \$96,000 or \$960. Divide the \$960 by 12 months and you get \$80.

*** You should also establish an emergency fund. Financial advisors suggest saving 5% of your take-home pay. So if your monthly take-home pay is \$3,000, you should place 5% or \$150 in your emergency fund each month. And never, ever touch this fund until a real Emergency arrives.

WORKSHEET #10

Making Your Money Work for You-Income vs. Expenses

Monthly Net Income <i>(from Worksheet # 8)</i>	\$
MINUS	-
Monthly Expenses <i>(From Worksheet #9)</i>	\$
RESULT	\$

- If your income is larger than your expenses, good work!
- If very little or nothing is left over each month (*that is, your monthly expenses are larger than your income*), go directly to Worksheet #11.

WORKSHEET #11

Making Your Money Work for You-Deciding Where to Cut Back

Decide which of your monthly expenses are **fixed** (*that is, you cannot change the amount spent*) and which are **discretionary** (*that is, you could change the amount spent*):

	FIXED	DISCRETIONARY
Mortgage Payment		
Homeowner association of condo fee (if applicable)		
Utilities:		
• Gas		
• Electricity		
• Water		
• Oil		
• Other		
Home Maintenance Allowance		
OTHER EXPENSES		
Food		
• Groceries		
• Meals away from home (<i>including daily lunch</i>)		
Child care or child support		
Transportation		
• Car payment(s)		
• Car insurance premium		
• Car maintenance and gas		
• Parking, tolls, etc.		
• Public transportation fees		
Credit Cards		
• Card #1		
• Card #2		
• Card #3		
Communication		
• Telephone		
• Internet service provider fee		
Education		
• Student loan		
• Tuition/School fees		
Clothing		
Entertainment		
• Cable TV		
• Video/DVD rentals		
• Sports, concerts, movies		
• Other		
Pets		
• Food/toys		

BECOMING A SUCCESSFUL HOMEOWNER

• Vet care		
Charity/Church		
Medical		
• Expenses not covered under insurance plan		
• Medications/Prescriptions		
Emergency Fund		
Other		
Other		
Other		

Now decide which of the discretionary expenses you checked above are needs and which are wants:

DISCRETIONARY EXPENSES			
NEEDS: CAN'T LIVE WITHOUT		WANTS: NICE TO HAVE	
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Prioritize your Want list and then decide how much you can really afford to pay for each item each month:

WANTS: NICE TO HAVE			
ORDER OF PRIORITY		AMOUNT YOU NOW PAY	AMOUNT YOU CAN REALLY AFFORD TO PAY
#1		\$	\$
#2		\$	\$
#3		\$	\$
#4		\$	\$
#5		\$	\$
#6		\$	\$
#7		\$	\$
#8		\$	\$
#9		\$	\$
#10		\$	\$
TOTAL		\$	\$

BECOMING A SUCCESSFUL HOMEOWNER

TOTAL Amount You Now Pay	\$
MINUS	-
TOTAL Amount You Can Really Afford to Pay	\$
Your Potential Savings	\$

Working through each of these steps can help you get a clearer picture of where your money is going each month AND where you may be able to cut back!

I, _____ certify that I have read the First Time Home Buyers book.

The First Home Buyers Book is available here

http://www.pmi-us.com/media/pdf/em/pmi_successhomeownerbk.pdf