

8/29/24
Budget Planning Document for Trades
Round up to closest \$5.00
Modify for Your Needs

Category	Amount	Notes
A. Net Monthly Income	<i>Regular recurring sources of income.</i>	
Your pay		<i>Hourly rate for your trade X 1800 hrs, divided by 12 months</i>
• Subtract taxes		<i>Estimate based on first month's paychecks/about 15% of pay</i>
• Subtract RESERVE for 2 months unemployment		<i>Monthly pay x 2 divided by 10 months</i>
Spouse/partner net pay		<i>Monthly pay less taxes and other deductions</i>
Alimony/child support		
Other		
Total (minus taxes and Reserve)		

Category	Amount	Notes
B. Fixed Expenses	<i>Items that you must pay and you pretty much know the amount due.</i>	<i>Convert quarterly and Annual bills to a monthly figure. (divide by 3 or 12)</i>
Rent/Mortgage		
Car Payment 1		
Car Payment 2		
Union dues		<i>Working dues deducted from your check. Monthly dues you pay directly</i>
Day care		
Phone/Cell phone		
Utilities (Gas, Water, Electric)		
Credit card 1		<i>Minimum +</i>
Credit card 2		<i>Minimum +</i>
Other medical insurance		<i>In addition to the union plan</i>
Car Insurance		
Total:		

Category	Amount	Notes
C. Variable Expenses (estimates)	<i>Items you must pay for but are somewhat discretionary in how much you spend. Estimate the best you can</i>	
Gasoline		
Commuting Expenses		<i>Bus, tolls, subway, parking</i>
Groceries		
Diapers		
School Expenses		<i>Supplies, fees, books</i>
Clothes		
Pet Care		
Car maintenance		
Work tools/supplies		
Other Savings		<i>Emergency fund, vacations, etc.</i>
Other:		
Total:		

Category	Amount	Notes
D. Remainder/ Discretionary Spending Money	<i>Totally discretionary money, available for other spending not budgeted for.</i>	<i>Budget within this category as you wish</i>
	\$	A-[B+C]=D
Entertainment: Movies, Sports, Concerts		
Streaming Services		
Cable/Internet		
Eating Out/Delivery		
Ride Sharing Services		
Gifts		
Gym membership		
Charity		
Other:		
Total:		

Worksheet Guide Notes

CATEGORY A: INCOME

- Budget based on 1800 hours of work per year to anticipate time off between jobs and other episodes of unemployment.
- Be sure your income reflects your take-home pay at *your* pay rate. \$40/hour for your trade might be \$24 or \$36/hour for an apprentice.
- Taxes are automatically taken out of your check. Make sure they are reflected in your budget. If you don't take enough out you will owe in the Spring.
- Set aside enough money to cover two months of potential (likely) unemployment each year. If you don't need it you can apply it toward Savings. If you do need it, it will be there. ***If you don't do this you will be in bad shape when episodes of unemployment hit,*** which it always does eventually in construction. Take this money out up front so you won't be tempted to use for expenses.
- The only other income for this section is what you can expect on a *regular basis*, for example, a spouse's income. Gifts, lottery winnings, tax rebates even occasional overtime are NOT income for *budgeting* purposes because you can't consistently depend on them. Use those to pay down debt, put toward savings or spend for fun but don't include in the budget.

CATEGORY B: FIXED EXPENSE

- These are important expenses you must pay (shelter, day care, car payment, etc.) AND you know how much they will be each month.
- Utilities will vary based on time of year and use but you can still estimate them. Some utilities let you pay the same amount each month over a 12-month period. Then they adjust the charges up or down based on your prior year's experience. Take advantage of this option if it is available to you for easier budgeting.
- Some fixed expenses are not monthly. Know what those are and convert them accordingly. Divide quarterly bills by 3. Divide bills you pay once a year by 12. Be sure to set aside these payments during the months these bills are NOT due.
- Minimum credit card payments *must* be paid. More *should* be paid but you can adjust that amount if necessary. The more you put toward your credit card bills the sooner they will be paid off and off your budget.
- *Working dues* (based on how many hours you work) is also automatically taken out of your check. Find out what that is and plan for it as a deduction. Even if you aren't working you need to pay your *monthly dues* (sometimes called window dues) to remain a member in good standing.
- Your medical insurance will be paid automatically by employer contributions. However, you may need to pay additional coverage for a family member or to cover yourself when you don't have enough hours for eligibility.

CATEGORY C: VARIABLE EXPENSES

- These are important living expenses you need to pay but you have a little more flexibility in the amount you pay.

- Most of these you will pay monthly but some, like car maintenance and pet care you will pay less frequently. Estimate what you pay annually and divide by 12.
- Note another spot here for Savings. This is an important category to budget for each month for unexpected bill, cash needs or long-term goals like replacing a car or buying a house. It is *separate* from your Reserve Savings fund, which is necessary to cover you when you are temporarily out of work.
- Many of the expenses in this category can be reduced (or increased!) based on changes in your personal habits. Buy less expensive groceries or shop around for the best deal on gas.

CATEGORY D: DISCRETIONARY EXPENSES

- After subtracting your Fixed (B) and Variable (C) Expenses from your Net Monthly Income (A) *that is how much you have left over to spend on other things as you wish.*
- These are items that we ***like*** to spend money on... ***if*** we have the money to spend. That all depends on the math.
- You can choose to cut back on things, like eating out and clothes. Or you can eliminate some altogether if you wanted to, like gym membership or streaming services.
- The main point is that these items are valuable but not “essential” for monthly living and are totally within your control to adjust for your budget.

