

# Creating a Spending Plan Podcast

## Personal Financial Management, podcast transcript

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No matter where you are in the deployment cycle, establishing a budget is a good way to help you meet your financial goals. Although it's easy to allow everyday purchases and obligations to get in the way of saving for the future, creating a spending plan can help you make sure your daily spending doesn't derail your long-term financial goals. It's not a strict budget--just a guide to help you take control of your finances, reach your goals, and provide you and your family with peace of mind and financial security both now and well into the future.

You can create your spending plan by following four simple steps:

First, determine your net income. Calculate the amount you bring home each month, after taxes, including only those sources of income you know you can depend on.

Next, estimate your monthly expenditures. Start with those "must-pay" expenses such as your rent or mortgage, utilities, car payments, grocery bills, and other absolute necessities. Always remember to pay yourself first by saving money for emergencies and unexpected expenses. This will also develop financial stability for long-term goals. Then prioritize additional, less-urgent expenses like scheduled car or home repairs, medical or dental bills, and purely discretionary expenses like gifts, travel, parties, and other entertainment. Plan to include a "cushion" in your estimate to account for any unforeseen expenses that may come up. Typically, ten percent of your take-home income is a good rule of thumb to follow to establish your expense cushion.

Next, compare your income and expenses. Subtract your anticipated expenses from your monthly income to determine how much money you'll have left over at the end of each month.

Finally, set priorities and make changes. If your expenses exceed your net income, it's time to tighten your belt and make changes in your monthly budget and spending plan. Go over your expenses more closely and decide what you can live without, trimming the fat until your budget is balanced.

For help establishing a spending plan, you may want to go through Military OneSource or take advantage of approved command and community resources from the Joint Forces Headquarters, (JFHQ). Installation Personal Financial Managers (PFMs) may provide one-on-one advice on spending plan development and other financial matters. Check your installation directory or use the MilitaryINSTALLATIONS application, available at [www-dot-militaryinstallations-dot-dod-dot-mil](http://www-dot-militaryinstallations-dot-dod-dot-mil), to get in touch with the nearest installation personal financial management offices.

You may also seek financial counseling through Military OneSource at one of hundreds of nationwide offices of the National Foundation for Credit Counseling. You can schedule an in-person appointment with a financial counselor or receive counseling by phone by contacting Military OneSource online at [www-dot-militaryonesource-dot-com](http://www-dot-militaryonesource-dot-com), or by phone at 1-800-342-9647. Overseas personnel may contact Military OneSource at 00-800-3429-6477; or call collect overseas at 1-484-530-5908.

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