

Preparing a Family Budget

Before you start planning for the cash needs of your new business, you must determine how much cash you will need to survive. The best way to do this is to prepare a family budget. It will show you where you are spending your money and may show you areas that can be cut down if it becomes necessary. Use the worksheet below to prepare your family budget.

ITEM	AMOUNT	AMOUNT
Net Monthly Income (Do not include proposed business income)	\$	
Spouse (take home)	\$	
Other income (investments, pensions, part-time job)	\$	
Total Net Income		\$
Monthly Expenses		
Payments on loans and debts		\$
Mortgage (principal and interest)		\$
Groceries		\$
Clothing		\$
Shelter		
-rent	\$	
-repairs	\$	
-insurance	\$	
-taxes	\$	
-utilities	\$	
Total Shelter		\$
Transportation		
-gas	\$	
-repairs	\$	
-insurance	\$	

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Total Transportation		\$
Insurance premiums (medical, life, disability)		\$
Recreation (vacations, hobbies, clubs, subscriptions)		\$
Miscellaneous		
-donations	\$	
-childcare	\$	
-alimony	\$	
-child support	\$	
-other (smoking, liquor)	\$	
-other	\$	
-other	\$	
Total Miscellaneous		\$
Total Monthly Expenses		\$
Net Surplus or Deficit		\$

Subtract your total income from total expenses which will tell you how much you need to make off of the business each month to be able to live.

For More Information

Internet:

www.toolkit.cch.com/tools/fambud_m.asp

www.bankrate.com/brm/news/biz/green/19990712e.asp