



Budgeting and Prioritizing Activity

Preparation: Copy the cards to cardstock (if possible), and cut them out. There should be one set for each participant.

Instructions:

To each person, hand out a set of cards upon which is written items that people generally spend money on over the course of a month or year.

1st Step: Put the cards into 2 groups— a yes group and a no group. Yes = those things they spend money on over the course of a year. No = those things they don't spend money on. For example, if they don't smoke, they don't buy cigarettes; if they don't have a dog, they don't buy dog food.

2nd Step: Define Fixed, Flexible and Periodic Expenses. Participants arrange their cards into 3 columns. Discuss the expenses as needed. Some of them can be in 2 or more columns depending on the situation. For example, comfort level utility payments are a fixed expense, but without the comfort level plan, utilities are flexible. Begin the emphasis on choice and priorities if appropriate

Fixed Expenses (expenses that are the same amount every month like rent, loan payments, telephone, insurance payments, etc. People have no choice about paying these. They are like contracts.)

Flexible Expenses (expenses that are different every month like groceries, gas, entertainment, household supplies, etc. People have a choice about the amount they spend on these, even if they have food stamps.)

Periodic Expenses (expenses that occur occasionally like clothes, shoes, gifts, vacations, emergencies, dues, taxes, etc. These are the ones that cause people to "fall off the edge" if they haven't planned for them.)

3rd Step (optional): Talk about priorities. Clients rearrange the cards in each column with the most important ones at the top and the least important ones at the bottom.

Continue to use the cards to talk about Needs, Wants, and Obligations as explained in the Money Management Handbook.

Rent	Utilities (Electricity, Gas)	Transportation (bus pass, taxi, etc)
Renters Insurance	Eating Out, Lunches, Coffee	Cable TV
School Loan Payment	Car Loan Payments	Internet/WiFi
Auto Repairs/ Maintenance	Gasoline (Car)	Hobbies/Sports (gym, martial arts, knitting, etc)
Storage Unit	Auto Insurance	Club/Organization Dues (AAA, Museum, etc)
Cell Phone	Apps for phone/computer iPad/tablet/etc	Vacations/Trips
Child Support/Alimony	Day Care/Babysitting	Medical Insurance

Clothes (warm & cold weather), Shoes	Medical co-pays and out of pocket expenses	Savings
Prescriptions	Emergency Fund	Medical Debt Payments
General House Items (furniture, linens, dishes, etc)	Food/Snacks	Household Products (cleaning, toilet paper, etc)
Animals (pets, assistance animals) Grooming/Boarding/Vet/ Food/Toys	Grooming / Toiletries (deodorant, shaving, haircuts, makeup, etc)	Credit Card payments
Laundry	Cigarettes Tobacco/Papers	Lottery Tickets/Casino
Music (CDs, downloads)	Miscellaneous (Things you don't usually think about like the parking meter, school supplies, candles, Halloween costume, etc)	Fines (D.O.C./LFOs/Court Fees/Parking/etc)
Holiday and Special Occasion Expenses (Gifts, Parties, etc)	Subscriptions for Services (Netflix, Amazon Prime, music, games, etc)	Entertainment (movies, concerts, dances etc)

Baby Care (diapers, powder, ointment, wipes, etc)	Alcohol (wine, beer, etc)	Accessories (jewelry, bags, belts, etc)
Personal Luxury Service (pedi-mani, massage, facial, spa, etc)	OTCs (over-the-counter medicine like aspirin, cough syrup, etc)	Bars/Clubs
Household Maintenance (roof, carpet, painting, etc) <i>(homeowner)</i>	Household Appliances (washer/dryer, water heater, stove, refrigerator, etc) <i>(homeowner)</i>	Helping out family or friends
Property Taxes <i>(homeowner)</i>	Car Tabs <i>(car owner)</i>	