

Budgeting: How to create a budget and stick with it

[Leer en español \(https://www.consumerfinance.gov/about-us/blog/como-hacer-un-presupuesto-y-mantenerse-en-el/\)](https://www.consumerfinance.gov/about-us/blog/como-hacer-un-presupuesto-y-mantenerse-en-el/)

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Making and sticking to a budget is a key step towards getting a handle on your debt and working towards a [savings goal \(https://www.consumerfinance.gov/start-small-save-up/\)](https://www.consumerfinance.gov/start-small-save-up/), of any kind. Let's say you want to set money aside [for emergencies \(https://www.consumerfinance.gov/about-us/blog/how-save-emergencies-and-future/\)](https://www.consumerfinance.gov/about-us/blog/how-save-emergencies-and-future/) or you aspire to save up for a much larger goal like a [car \(https://www.consumerfinance.gov/consumer-tools/getting-a](https://www.consumerfinance.gov/consumer-tools/getting-a)

[n-auto-loan/](#)), [down payment on a house \(https://www.consumerfinance.gov/owning-a-home/\)](https://www.consumerfinance.gov/owning-a-home/), or [retirement \(https://www.consumerfinance.gov/consumer-tools/retirement/\)](https://www.consumerfinance.gov/consumer-tools/retirement/). Until you get a realistic picture of how much money you're bringing in and where it's going, it's difficult to know whether you'll have enough left over to put away.

Getting started can be the hardest part, especially if your finances feel out of control, but these easy-to-follow steps are designed to help you create a budget that really works for you.

- **Step 1: Where does my money come from?** The first place to start is getting a complete picture of where your money comes from. You may be self-employed, have multiple jobs or receive child support or government benefits -- all of these sources should factor into what you have available to make ends meet. Start by recording all of your income with our [Income Tracker](https://www.consumerfinance.gov/documents/7170/cfpb_your-money-your-goals_income_benefits_tool_2018-11_ADA.pdf) [↓](https://www.consumerfinance.gov/documents/7170/cfpb_your-money-your-goals_income_benefits_tool_2018-11_ADA.pdf) (https://www.consumerfinance.gov/documents/7170/cfpb_your-money-your-goals_income_benefits_tool_2018-11_ADA.pdf).
- **Step 2: Where does my money go?** Equally important but the heaviest lift is logging your spending so you get a realistic picture of what your money, on an average month, is going to. Our [Spending Tracker](https://www.consumerfinance.gov/documents/5578/cfpb_well-being_spending-tracker.pdf) [↓](https://www.consumerfinance.gov/documents/5578/cfpb_well-being_spending-tracker.pdf) (https://www.consumerfinance.gov/documents/5578/cfpb_well-being_spending-tracker.pdf) helps you both log and sort your spending by categories like utilities and housing to eating out and entertainment. If this feels overwhelming, start small and look at your expenses one week at a time by either reviewing your receipts or checking account. You could also start a daily log of your expenses so you're making sure to capture those small expenses -- like buying breakfast or lunch instead of bringing it with you -- that add up over time.
- **Step 3: What are all my bills and when are they due?** If you're coming up short at the end of the month, it could be that the timing for your bills and income don't match. Our [Bill Calendar](https://www.consumerfinance.gov/documents/7168/cfpb_your-money-your-goals_bill_calendar_tool_2018-11_ADA.pdf) [↓](https://www.consumerfinance.gov/documents/7168/cfpb_your-money-your-goals_bill_calendar_tool_2018-11_ADA.pdf) (https://www.consumerfinance.gov/documents/7168/cfpb_your-money-your-goals_bill_calendar_tool_2018-11_ADA.pdf) is designed to help you remember when your bills are due but also keep in mind weeks when you need to be careful about your spending. Missing payments or not paying on time can also have larger impacts on [your credit scores and overall financial well-being \(https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/\)](https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/).
- **Step 4: Create your working budget.** Once you've identified all of your income sources and started tracking your spending and when your bills are due, our [Budget Worksheet](https://www.consumerfinance.gov/documents/5608/cfpb_well-being_monthly-budget.pdf) [↓](https://www.consumerfinance.gov/documents/5608/cfpb_well-being_monthly-budget.pdf) (https://www.consumerfinance.gov/documents/5608/cfpb_well-being_monthly-budget.pdf) pulls everything together so you have a working and realistic budget.

Creating a budget will help you figure out if you have enough money to cover your expenses, while also having enough to save or spend on something extra you may want for yourself or your family. Be sure to update your budget if you experience a change in employment or your spending habits.

Sticking to a budget

Changing your money habits won't happen overnight. Making - and sticking - with a budget takes effort, but here are a few important tips for being successful.

- **Create a tool that works for you.** Be realistic and start looking at your finances one month at a time. Create a way that's easy for you to track income and spending in real time, whether that's a daily journal or putting receipts in a folder that you review at the end of each week.
- [Analyze your spending habits \(https://www.consumerfinance.gov/about-us/blog/track-your-spending-with-this-easy-tool/\)](https://www.consumerfinance.gov/about-us/blog/track-your-spending-with-this-easy-tool/). This is an opportunity to take a comprehensive look at your spending, and it is also the easiest way to look for areas where you can cut back. If you know you're prone to impulse spending, create a plan that's doable to help you limit that spending.
- [Set a goal !\[\]\(0551a83d441798e532995956b603f604_img.jpg\)](https://www.consumerfinance.gov/documents/7075/cfpb_your-money-your-goals_SMART-goals_tool_2018-11.pdf) (https://www.consumerfinance.gov/documents/7075/cfpb_your-money-your-goals_SMART-goals_tool_2018-11.pdf). Whether it's small or large, it's helpful to have an end goal and something you're working towards. Also, rewarding yourself, even in small ways, can help you keep up with any progress you've made.
- **Develop a support system.** Like sticking to an exercise routine, it's easier when you're surrounded by families and friends you can trust to offer you support, either by doing a budget with you or listening when you're struggling.

Take control of your finances

The Bureau created the Get a Handle on Debt Boot Camp to make money management easy by delivering tools and strategies directly to your inbox. Sign up today to start managing your debt by budgeting smarter, paying your bills on time, tracking your spending, paying down existing debts, and earning extra income.

FURTHER READING

 Blog

[Planning your finances for an uncertain future \(https://www.consumerfinance.gov/about-us/blog/planning-finances-uncertain-future/\)](https://www.consumerfinance.gov/about-us/blog/planning-finances-uncertain-future/)

APR 22, 2020

[Consejos para mantenerse al día con sus finanzas durante la pandemia del coronavirus \(https://www.consumerfinance.gov/about-us/blog/consejos-estar-al-dia-con-sus-finanzas-coronavirus/\)](https://www.consumerfinance.gov/about-us/blog/consejos-estar-al-dia-con-sus-finanzas-coronavirus/)

APR 16, 2020

[Build your kids' money skills while they're home from school \(https://www.consumerfinance.gov/about-us/blog/kids-home-money-skills/\)](https://www.consumerfinance.gov/about-us/blog/kids-home-money-skills/)

APR 10, 2020

Newsroom

[Consumer Financial Protection Bureau Releases Report on 2019 Administration of the Fair Debt Collection Practices Act; Announces Extension of Comment Period \(https://www.consumerfinance.gov/about-us/newsroom/cfpb-releases-2019-administration-fair-debt-collection-practices-act-report/\)](https://www.consumerfinance.gov/about-us/newsroom/cfpb-releases-2019-administration-fair-debt-collection-practices-act-report/)

MAR 20, 2020

[Consumer Financial Protection Bureau Issues Supplemental Notice of Proposed Rulemaking on Time-Barred Debt Disclosures \(https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-supplemental-nprm-on-time-barred-debt-disclosures/\)](https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-supplemental-nprm-on-time-barred-debt-disclosures/)

FEB 21, 2020

[CFPB Issues Financial Literacy Annual Report \(https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-2019-financial-literacy-annual-report/\)](https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-2019-financial-literacy-annual-report/)

DEC 23, 2019

Events

[Evolutions in Consumer Debt Relief \(https://www.consumerfinance.gov/about-us/events/archive-past-events/evolutions-in-consumer-debt-relief-event/\)](https://www.consumerfinance.gov/about-us/events/archive-past-events/evolutions-in-consumer-debt-relief-event/)

MAR 10, 2020

[CFPB Financial Well-being Research Conference \(https://www.consumerfinance.gov/about-us/events/archive-past-events/cfpb-financial-well-being-research-conference/\)](https://www.consumerfinance.gov/about-us/events/archive-past-events/cfpb-financial-well-being-research-conference/)

NOV 13, 2019

[Debt Collection Town Hall in Philadelphia, PA \(https://www.consumerfinance.gov/about-us/events/archive-past-events/debt-collection-town-hall-philadelphia/\)](https://www.consumerfinance.gov/about-us/events/archive-past-events/debt-collection-town-hall-philadelphia/)

MAY 08, 2019

[View more \(https://www.consumerfinance.gov/activity-log/?topics=financial-education&topics=debt-collection&topics=managing-debt\)](https://www.consumerfinance.gov/activity-log/?topics=financial-education&topics=debt-collection&topics=managing-debt)

An official website of the United States government