



MCA
DETROIT

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Beginner's Budgeting Guide

Step 1: Determine Your Net Monthly Income

This is the money you actually take home after taxes and deductions.

Include:

- Paychecks
- Freelance income
- Child support or alimony
- Government benefits
- Side hustle income

Tip: Use your most consistent monthly income to create a stable base.

Step 2: Track Your Expenses

List every expense, even small ones, for at least one full month.

Categories:

Fixed Expenses	Variable Expenses	Irregular/Occasional
Rent/Mortgage	Groceries	Car maintenance
Car payment	Dining out	Holiday gifts
Insurance (health, auto)	Gas/transportation	Medical bills
Student loans	Entertainment	Annual subscriptions
Phone/internet	Shopping	School fees, etc.

Use tools like:

- Bank app downloads
- Expense tracking apps (e.g., Mint, EveryDollar)
- Paper journal or spreadsheet

Step 3: Set Spending Goals with the 50/30/20 Rule

A common budgeting rule to keep your spending balanced:

Category	Percentage	Description
Needs	50%	Rent, utilities, groceries, transport
Wants	30%	Entertainment, dining out, hobbies
Savings/Debt Payoff	20%	Emergency fund, retirement, debt

Adjust percentages based on your goals. If debt is high, put more into savings/debt.

Step 4: Create Your Budget Plan

Plug in your income and expense data and create your monthly plan.

Example:

Category	Budgeted	Actual
Income	\$3,000	\$3,000
Rent	\$900	\$900
Utilities	\$150	\$140
Groceries	\$300	\$310
Transportation	\$200	\$180
Entertainment	\$150	\$175
Savings	\$300	\$300
Debt Repayment	\$400	\$400
Miscellaneous	\$100	\$120
Total Expenses	\$2,500	\$2,525
Remaining	\$500	\$475

Step 5: Track Weekly and Adjust

- Review spending weekly (not just monthly).
- Adjust categories if you're consistently over or under.
- Watch for subscription creep or hidden fees.

Budgeting Tips for Beginners

- **Start simple** — don't overcomplicate.
- **Give every dollar a job** — don't leave money unassigned.
- **Be flexible** — life happens, adjust when needed.
- **Cut back gradually** — reduce spending in areas without feeling deprived.
- **Review monthly** — budgets should evolve.

Tools to Help You Budget

- **Apps:** Mint, YNAB, EveryDollar, PocketGuard
- **Spreadsheets:** Google Sheets, Excel templates
- **Manual:** Budget journals or printable worksheets