EASY BUDGETING STARTER GUIDE

YOUR QUICK-START GUIDE TO CREATING A BUDGET

EASY PEASY SHEETS

WELCOME!

Hi, I'm Sara, the creator behind *Easy Peasy Sheets*.
Welcome to your Easy Budgeting Starter Guide.
If you've ever felt that budgeting is confusing, complicated, or just too much math, you're not alone.
This short guide will walk you through the basics step-by-step – so you can finally understand where your money is going and how to make it work for you.
You'll also see how, with just a few small tweaks, budgeting can actually become easy, empowering, and even fun.

Let's get started!

Four Steps to Creating a Budget

1

Calculate your Net Income

Determine how much you truly have to work with

2

Calculate your Expenses

Identify where your money is going

3

Set your Budgets

Set specific budgets for each spending category

4

Start Tracking

Start tracking your expenses, and adjust your budget as needed

1 Calculate your Net Income

To determine how much money you have available to spend and save, you first need to know your total **net income**.
This is the total amount of money you take home **after all deductions**, including taxes, pension contributions, insurance, etc.

Accurately calculating your net income ensures that you are **budgeting based on what you can actually spend**. Overestimating your income can lead to overspending, while underestimating it can restrict your budget unnecessarily.

Print the template below and start filling it out by following these steps:

- **Write down all your monthly income sources**: List all the ways you earn money. Include your primary job, secondary jobs, freelance work, etc.
- **For bi-weekly and weekly income**: If you're paid bi-weekly, calculate the total first and then the **monthly average**. This is done by **multiplying** your bi-weekly net pay **by 26** and then **dividing it by 12**. If you're paid weekly, **multiply** your weekly net pay **by 52**, then **divide it by 12**.
- **Include irregular income**: If you have an income that fluctuates, such as from self-employment or freelance work, take an average of the last 3 to 6 months. Be conservative in your estimates to avoid overestimating your budget.
- **Subtract deductions**: If you only have gross income figures, use the deductions tables to list all taxes, retirement contributions, insurance, etc. For annual deductions, calculate the monthly average by **dividing** the total annual amount **by 12**. If you are self-employed and you pay your income taxes annually, I suggest you enter these in STEP 2 in the "annual fixed expenses" table. This will ensure your taxes are included in the periodic expenses that contribute to your "**buffer**".
- **Sum the totals**: Add the totals of the cells with the **pink text** from all income tables and subtract the total deductions to calculate your net income.

Step 1 MY NET MONTHLY INCOME

NET INCOME TOTAL ______________________

MONTHLY INCOME

DESCRIPTION	AMOUNT
TOTAL:	

BI-WEEKLY INCOME

DESCRIPTION	AMOUNT
TOTAL:	
MONTHLY AVERAGE:	

WEEKLY INCOME

DESCRIPTION	AMOUNT
TOTAL:	
MONTHLY AVERAGE:	

MONTHLY DEDUCTIONS

DESCRIPTION	AMOUNT
TOTAL:	

ANNUAL DEDUCTIONS

DESCRIPTION	AMOUNT
TOTAL:	
MONTHLY AVERAGE:	

2 Calculate your Expenses

Your monthly expenses can be categorized into **Fixed and Variable Expenses**. Fixed Expenses are often referred to as **bills** and include recurring costs that do not change much month after month. These expenses form the **non-negotiable part of your budget** and are often essential for daily living. Some Fixed or Variable Expenses may be paid annually or semi-annually, so it's important to calculate these and include them in your budget by breaking them down into **monthly amounts**.
Variable Expenses are costs that fluctuate from month to month (or year to year).

I suggest you **calculate your regular monthly expenses separately from your periodic expenses (annual and semi-annual)**.
This way, you won't mistakenly count funds meant for semi-annual or annual costs as part of your available monthly budget.

Often, **people overlook these less frequent expenses** when creating a budget, which can lead to unexpected financial stress later on.
When these costs come up, you might end up using credit cards or dipping into your savings to cover them.

Review your bank statements from the past **month** and use the template on page 8 to list all your expenses. Then use the template on page 9 to group them and categorize them into fixed and variable.

Depending on how variable your expenses are, you may want to calculate 3 months of expenses and then calculate the monthly average for each category. This will give you more accurate insights into your typical monthly spending.

To calculate the **monthly equivalent** of your **semi-annual** expenses, first find the total amount and then **divide it by 6**.
For your **annual** expenses, calculate the total amount and then **divide it by 12**. If they're variable (e.g., holidays, gifts), take the average of the past years and calculate the monthly equivalent.
If you are **self-employed** and your income and taxes vary, take an average of the last 3 to 5 years and include it in the Annual Expenses table.

Some common Fixed Expenses are:

- **Rent** or **mortgage**.
- **Utilities**.
- **Insurance premiums**: health, car, home, and life insurance premiums.
- **Loan payments**: minimum payments for student loans, car loans, personal loans, etc.
- **Subscriptions and memberships**: streaming services, gym memberships, and other regular subscriptions.
- **Childcare and education**: daycare, school tuition, etc.

Some common Variable Expenses are:

- **Groceries**.
- **Dining out**: restaurants, coffee shops, and takeout.
- **Entertainment**: movies, concerts, hobbies, and leisure activities.
- **Transportation**: fuel, public transport, and parking.
- **Shopping**: apparel, accessories, etc.
- **Personal care**: hygiene and beauty products, haircuts, etc.
- **Miscellaneous**: gifts, donations, and other discretionary spending.

Common annual/semi-annual expenses are:

- **Income taxes**: if you're self-employed, for example.
- **Property taxes**.
- **Car insurance premiums**.
- **Home insurance premiums**.
- **Vehicle registration**.
- **Fees for professional licenses and certifications**.
- **Pet care**: annual vet visits and vaccinations.
- **Membership fees**: some professional associations or organizations may require annual fees.
- **Subscriptions**: some services offer a discounted annual subscription (Amazon Prime, software licenses).
- **Tax preparation fees**.
- **School tuition and fees**: annual tuition payments for private schools or universities.
- **Holiday costs**: if you usually plan a big vacation once a year, you can count it as an annual expense.
- **Health insurance premiums**: if not paid monthly, health insurance can sometimes be billed semi-annually.

Step 2a MY LAST MONTH OF SPENDING

ALL EXPENSES

DATE	DESCRIPTION	AMOUNT

Step 2b MY MONTHLY EXPENSES

MONTHLY EXPENSES TOTAL ____________________

MONTHLY FIXED EXPENSES

CATEGORY	AMOUNT
Rent/Mortgage	
Utilities	
TOTAL:	

MONTHLY VARIABLE EXPENSES

CATEGORY	AMOUNT
Groceries	
Transportation	
TOTAL:	

MONTHLY AVG. FOR PERIODIC EXPENSES ____________________

SEMI-ANNUAL EXPENSES

CATEGORY	AMOUNT
TOTAL:	
MONTHLY AVERAGE:	

ANNUAL EXPENSES

CATEGORY	AMOUNT
TOTAL:	
MONTHLY AVERAGE:	

3 Set Your Budgets

Now that you have a clear picture of your income and expenses, it's time to **set specific budgets** for each spending category.

Decide on a percentage of income you'd like to **save**, such as 20%, and allocate the remaining funds to your expenses.

I also recommend **setting aside the buffer for your periodic expenses**, which can be transferred to a separate savings account.

If you have debt that you're eager to pay off, consider directing a portion of your savings toward accelerated repayment.

Begin by evaluating ways to reduce spending without making drastic cuts. Start small, **try reducing each category by around 10%** to see how it feels. Focus on making changes that feel sustainable for you.

You may find it **easier to cut back on some categories than others**; for example, it might be simpler to reduce spending on shopping than on dining out.
Adjust each budget to fit your needs, prioritizing larger cuts in areas where it's manageable.

💡 Every person budgets differently – what feels easy for one might feel restrictive for another. The Essential Beginner's Budget Toolkit walks you through 7 proven budgeting strategies and helps you find the one that works for you.
👉 **[Have a look at the Toolkit]**

Step 3 MY MONTHLY BUDGET

MONTHLY INCOME	
AMOUNT TO SAVE EVERY MONTH	
BUFFER FOR PERIODIC EXPENSES	
AVAILABLE BUDGET	

CATEGORY	NEW BUDGET (THE TOTAL CAN'T EXCEED THE AVAILABLE BUDGET)

4 Sart Tracking Your Expenses

Now that you have a budget in place, the next step is to **start tracking** your spending.
Record your expenses in each category regularly, ideally **daily or weekly**, so you can stay aware of your **spending patterns** and make adjustments as needed.
Tracking not only keeps you accountable but also highlights any areas where you might need to reassess your budget.

I have included below some **resources** that can help you get started!

I hope you found this guide useful.
If you have any questions feel free to contact me at
info@easypeasysheets.com

Happy budgeting!

Sara

Essential Beginner's Budget Toolkit

Your Step-by-step Toolkit for Creating Your First Budget

£17

GET IT HERE

What's included:

✅ **How to Make a Budget and Stick to It [PDF]**
A more in-depth step-by-step guide that breaks down everything you need to know to create your first budget and choose the right budgeting strategy for you.

✅ **Make Your First Budget Template [Google Sheets]**
A Google Sheets template that complements the PDF guide, with the convenience of automated calculations.

✅ **7 Budget Templates [Google Sheets & Excel]**
Choose the budgeting strategy that best fits your needs! We've included templates tailored to each of the 7 Budgeting Strategies covered in the guide:

✅ **Automated Bill Calendar [Google Sheets & Excel]**
Never miss a bill again! Our automated Bill Calendar is built into each template to help you track your payments and stay on top of all your deadlines.

GET IT HERE

What's included:

✅ **Wish List & Purchase Tracker** – Stay mindful of your spending by planning intentional purchases and avoiding impulse buys.

✅ **Monthly Budget Template** – Organize your income and expenses with a clear, easy-to-use template.

✅ **Savings Tracker** – Visualize your progress toward savings goals and celebrate your achievements.

✅ **Bill Calendar** – Never miss a payment again! Plan your bills and due dates all in one place.

GET IT HERE

What's included:

✅ **Mindful Wish List & Purchase Tracker** – Plan intentional purchases by prioritizing what truly matters and avoiding impulse buys.

✅ **Conscious Consumer Checklist** – Reflect on your purchasing decisions with 29 guided questions to ensure every buy aligns with your values.

✅ **Financial Habit Tracker** – Build consistent money habits that support your financial goals.

✅ **Money Mindset Budget** – Shift your focus towards mindful budgeting and develop a healthier relationship with your money.

✅ **Savings Tracker** – Stay motivated as you track progress toward your savings goals.

✅ **Bill Calendar** – Never miss a payment again! Plan your bills and due dates all in one place.