

Monthly Spending Plan for Dealing with Job Loss or Reduced Income

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Steps for Financial Control:

When income is reduced because of job loss, pay cut, furlough, or other circumstances it is important to also reduce spending. Use the following worksheets to rework your spending plan to fit your current income.

- Step 1:** Calculate the amount of reduced income.
- Step 2:** Calculate fixed expenses and try to find ways to adjust spending.
- Step 3:** Calculate flexible expenses and try to find ways to adjust spending
- Step 4:** Compare income and expenses.

Step 1 - Income: Calculate net income before and after reduction to see how much you will need to try to cut back on expenses. You may find that you need to use savings to make ends meet, but try to use as little as possible so savings stretch as far as possible. Avoid using credit cards or other types of high cost loans as extra cash.

Sources of Monthly Net Income	Income before reduction	Income after reduction
Take home income from paycheck(s)		
Unemployment Income		
Other Income		
Other Income		
Total Monthly Income		
Amount Reduced		

Step 2 - Fixed Monthly Expenses: Next, calculate fixed monthly expenses. Two columns are included in case there is a way for you to reduce your current expenses. The bill for some items like insurance may only come once or twice a year, but it is important to plan ahead and try to save each month.

Expense	Current Amount	Adjusted Amount
Housing (Rent or Mortgage)		
Insurance:		
Health		
Automobile		
Home or Apartment		
Automobile Payment (s)		
Phone Service		
Television Cable		
Internet		
Student Loan (s)		
Installment Loans (s)		
Child Support		
Child Care		
Money to set aside for upcoming expenses		
Total Fixed Expenses		

Step 3 - Flexible Monthly Expenses: Flexible expenses are those expenses that can change each month. Usually, they are also the types of expenses that can be easiest to reduce. Tracking these expenses will help you stick to your plan. Usually, a person has many flexible expenses so the flexible expense table is listed on 2 pages.

Flexible Expense Page 1

Expense	Planned Amount	Adjusted Amount
Utilities:		
Electricity		
Gas		
Water		
Garbage Pickup		
Pest Extermination		
Food:		
Groceries		
Restaurant Purchases		
Misc. Purchases		
School Lunches		
Other		
Transportation:		
Gas		
Auto Maintenance		
Bus Fares		
Parking		
Credit Cards:		
Total Page 1 Expenses		

Flexible Expenses Page 2

Expense	Planned Amount	Adjusted Amount
Personal Care:		
Medications		
Clothing		
Laundry		
Haircuts		
Cosmetics		
Other		
Money to set aside for emergencies		
Pet Care		
Pest Extermination		
Recreation:		
Movies/Videos/DVD		
Hobbies		
Other		
Charitable Donations		
Alcohol		
Tobacco		
Household Care Cleaning Products		
Other		
Other		
Total Page 2 Flexible Expenses		
Total of All Flexible Expenses (Page 1 + Page 2)		

Step 4 – Compare Income and Expenses:

Total Monthly of All (Fixed + Flexible) Expenses: \$ _____

Total Monthly Income: \$ _____

Is income greater than expenses?

If not, are there any ways you can further reduce expenses?

As you work on ways to cut your spending, it is helpful to think about these questions:

- What can you trade or share with others?
- Can you substitute a less costly item?
- How can you conserve your resources and avoid waste?
- Can you save on service or repair if you do it yourself?
- Can you do without this item, or wait until later?

Sources:

Boelter, Linda and Gutter, Michael. 2006. *Managing Between Jobs: Setting Spending Priorities*, University of Wisconsin – Extension, (B3459-01).

Wise, Dena. 2006. Saving-Spending Plan Worksheet. University of Tennessee Extension, (SP613-B).

Courtney, Elaine, 2009. *Managing in Tough Times: Downsized Strategies for Spending Less*, UF/IFAS Okaloosa County Extension.

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Financial management topics include developing a spending plan, financial goals, debt reduction, credit, using financial institutions, and saving & investing for future goals.

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