Budgeting Basics

Developing good study habits begins with asking questions, taking notes, doing your homework, and using the right tools to get the answers you need. When studying your finances, you should use the same plan!

Whether you are a first-time credit card user, an "only in case of emergency" cardholder, or a veteran shopper, a budget can help you use credit cards responsibly. Ask questions about key terms like APR (annual percentage rate). Take good notes about things that you want to buy, such as a laptop or even a new pair of jeans. Stopping to write down the price of an item can keep you from making impulse purchases. Do your homework on what different prices and discounts are offered on items you want to buy. Use the right tools, such as a budget and your credit card statement, to keep track of your spending.

Use the chart below to create a pocket monthly budget for yourself.

Finance Facts

$50
According to federal law, the maximum amount you must pay if your credit card is stolen and you notify the issuer promptly. If you notify the issuer immediately, before the stolen card is used, you may not have to pay anything.
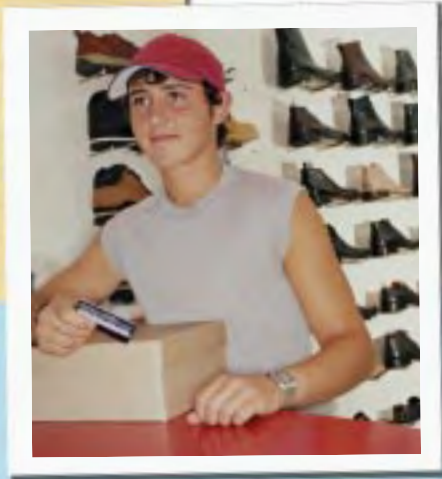
Salary, wages, and tips
The primary source of income for most people ages 20–35. Other age groups claim income from additional sources, such as profits from business, rents, and dividends or interest on investments.

Once a year
When you can request one or all three of your free annual reports from a single, centralized source via the Web at www.annualcreditreport.com. This right is guaranteed to you under the new Fair and Accurate Credit Transactions (FACT) Act.

70% more
The amount of wages a four-year-college graduate can expect to make over a peer who does not attend college. A college education is an investment in human capital that makes people more valuable in the workplace and addresses decisions that can affect future income and money-management success.

Monthly Budget

NAME	
MONTHLY INCOME	
Clothing	
Music	
Dining Out	
Bills	
Entertainment	
Books	
Computer	

MONTHLY EXPENSES