

Worksheet:

Expense category	Item description	Amount	Essential	Important	Non-essential
Rent	Monthly rent	£	Yes	No	No
Food	Groceries	£_	Yes	No	No
Car	Fuel	£	No	Yes	No
Clothing	Designer clothes	£	No	No	Yes
Gym	Membership	£	No	No	Yes

Step 2: Compare income and expenses

1. Identify and total your essential expenses.
2. Subtract your essential expenses from your total income.
3. Assess any remaining income against 'important to you' items.
4. Re-evaluate the importance of these items if necessary.
5. Refine categories for clearer tracking.
6. Establish a basic budget, ensuring essentials are covered and identifying areas where non-essentials can be cut back.
7. Adjust figures to match your lifestyle.

Worksheet:

Total income	£
Essential expenses	£
Remaining income	£

Important items	Amount	Re-evaluated amount
Car	£	£
Internet	£	£

Non-essential items	Amount	Re-evaluated amount
Designer clothes	£	£
Gym membership	£	£