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Excel Create a Budget

By Martha Nelson
Digital Learning Specialist

1. I am neither a Certified Public Accountant, nor a Financial Advisor.
2. This is a conversation. **Please** talk to your neighbor or me.
3. Sometimes I make a mistake – please let me know before we all get confused.
4. Sometimes computers make mistakes or behave weird.



What is a budget?

An estimation of the revenue and expenses over a specified future period of time.

A budget can be made for a person, family, group of people, business, government, country, multinational organization or just about anything else that makes and spends money.

- *Investopedia*



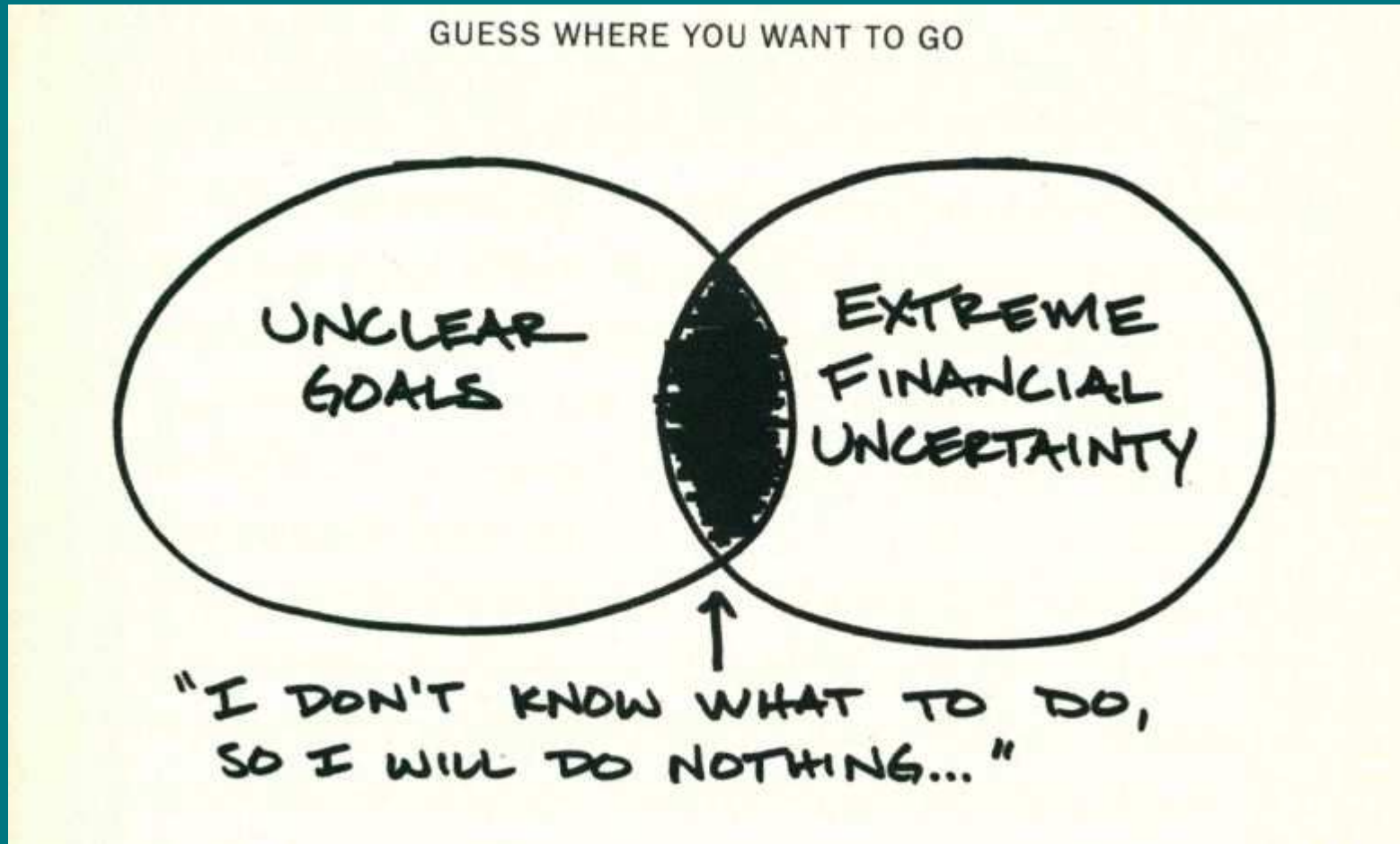
Why make a budget?

You can't begin to save until you educate yourself *about where and how you are spending your money.*
- *The Index Card*

You've got to tell your money what to do or it will leave.
- Dave Ramsey



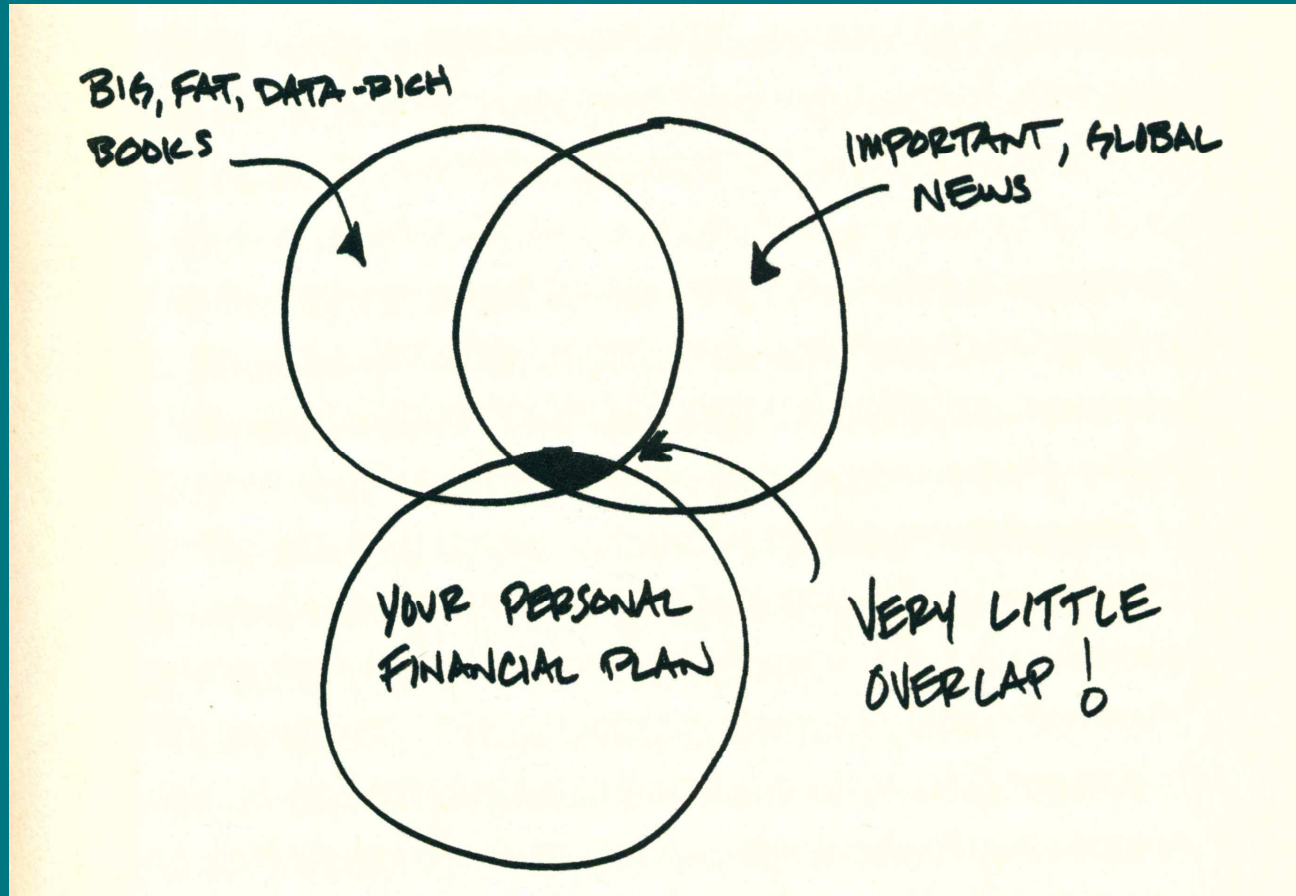
Budgets start the conversation



- from *The One-Page Financial Plan* by Carl Richards



Budgets keep the conversation going



- from *The One-Page Financial Plan* by Carl Richards

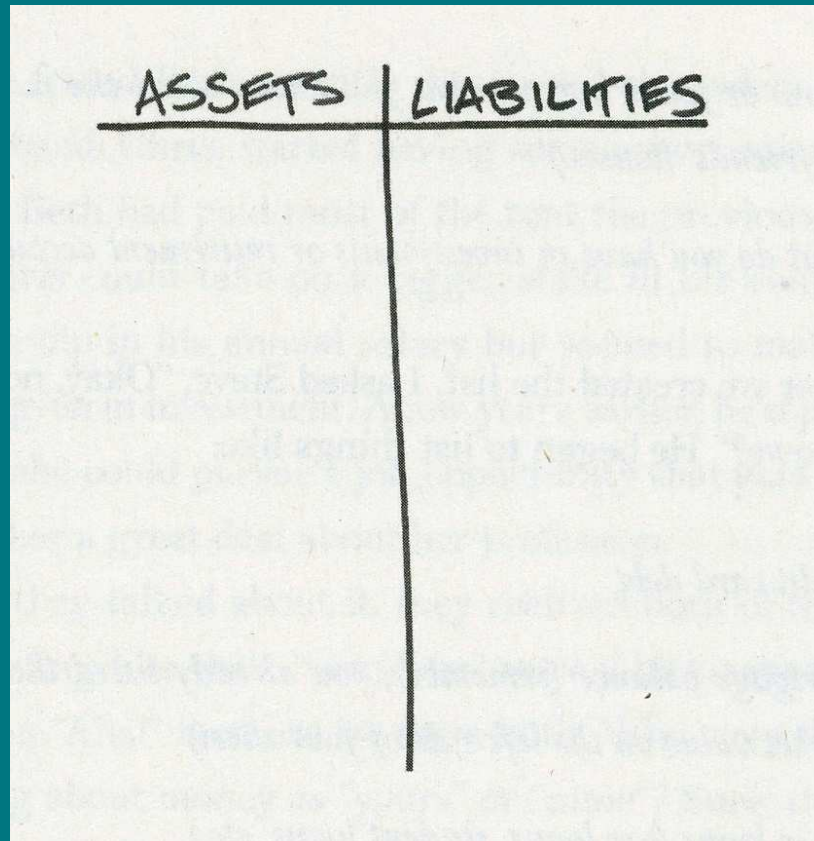


Four general types of budgets we'll discuss today:

1. Asset and Liability statement
2. Goal Budget
3. Envelope Budget
4. Zero Sum Budget



Assets – Liabilities = Net Worth



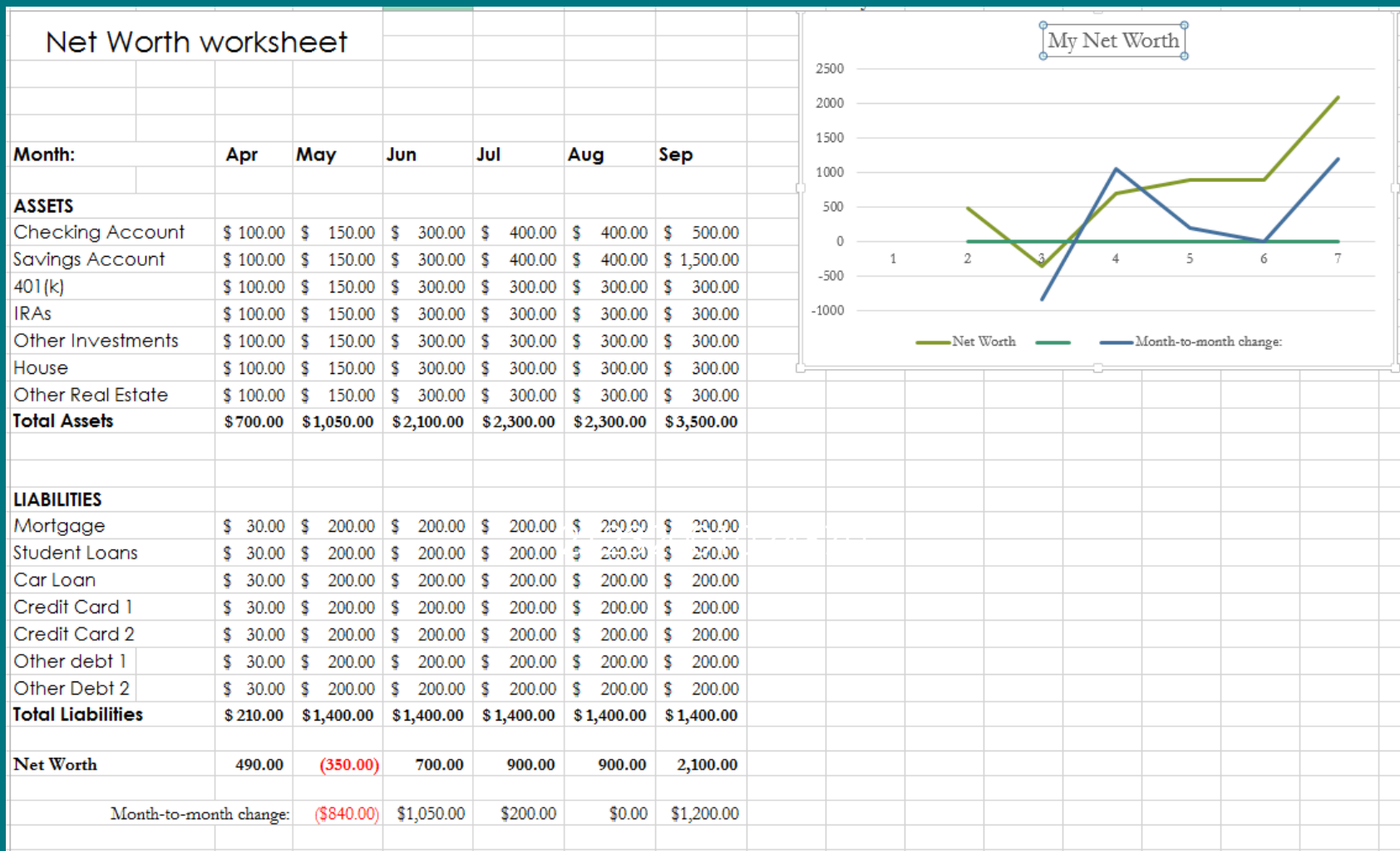
A hand-drawn diagram on a piece of paper showing a T-account structure. The top horizontal line is divided into two sections by a vertical line. The left section is labeled "ASSETS" and the right section is labeled "LIABILITIES". The rest of the page is blank, representing the space for entries.

ASSETS	LIABILITIES
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All the stuff you “own” goes in the left column, all the stuff you “owe” in the right hand column. Sum them up

- from *The One-Page Financial Plan* by Carl Richards





Snapshot of the last 6 months of net worth.

Go to Exercise #1



WEDDING BUDGET

We've expanded our budget to be more comprehensive, considering all of the little details you might want to include in your wedding. Spending trends and percentages come directly from surveys and the most current research, courtesy TheWeddingReport.com

EXPENSES	BUDGETED AMOUNT	VENDOR ESTIMATE
<i>Attire & Accessories (5 percent)</i>		
Bride accessories		
Groom accessories		
Tuxedo		
Veil		
Wedding Dress		
Wedding Dress Preservation		
Miscellaneous		
<i>Beauty, Health & Spa (2 percent)</i>		
Diet, weight loss, gym		
Facial		
Hair Removal		
Hair Service		
Makeup Service		
Manicure & Pedicure		
Massage		
Teeth Whitening		
Miscellaneous		
<i>Entertainment (7 percent)</i>		
Band, DJ, entertainment		
Ceremony musicians		
Cocktail hour musicians		
Dance Lessons		
Miscellaneous		
<i>Flowers & Decorations (6 percent)</i>		
Boutonnieres, Corsages		
Bridal Bouquet		
Bridesmaid Bouquets		
Ceremony Decorations		
Ceremony Arrangements		
Flower Girl Flowers		
Flower Petals		
Reception Decorations		
Reception Flowers		
Reception Centerpieces		
Miscellaneous		
<i>Gifts & Favors (3 percent)</i>		
Gifts for Attendants		
Gifts for Parents		
Gifts for the Bride		
Gifts for the Groom		
Wedding Favors		

EXPENSES	BUDGETED AMOUNT	VENDOR ESTIMATE
<i>Invitations & Stationery (2 percent)</i>		
Ceremony Programs		
Guest Book		
Invitations & Reply Cards		
Postage		
Reception Menus		
Save the Date Cards		
Table or Place Cards		
Thank You Cards		
Miscellaneous		
<i>Jewelry (14 percent)</i>		
Earrings, Necklace, etc.		
Engagement Ring		
Wedding Band for Bride		
Wedding Band for Groom		
Miscellaneous		
<i>Photography & Videography (8 percent)</i>		
Photographer		
Videographer		
Miscellaneous		
<i>Planning (10 percent)</i>		
Binder, Books, Magazines, etc.		
Day-of Coordinator		
Wedding Fairs & Events		
Wedding Planner		
Miscellaneous		
<i>Transportation (3 percent)</i>		
Limo Rental		
Travel for Guests		
Miscellaneous		
<i>Venue & Catering (40 percent)</i>		
Ceremony Accessories		
Ceremony Location		
Ceremony Officiator		
Reception Accessories		
Reception Bar Service		
Reception Food Service		
Reception Location		
Reception Rentals		
Rehearsal Dinner		
Tips		
Wedding Cake/Desert		
Wedding Night Hotel Room		
Miscellaneous		

theweddingreport.com • October 2013 • January 2014 { 35 }

There are many sample budgets on Pinterest – both analog and digital.

Data from TheWeddingReport.com



Setting tangible and realistic goals, following them, and tracking your progress is the key to success in achieving all of your financial goals.

Let's make a budget for a wedding!

Go to Exercise #2 in the handout



WEDDING BUDGET We've expanded our budget to be more comprehensive, considering all of the little details you might want to include in your wedding. Spending trends and percentages come directly from surveys and the most current research, courtesy TheWeddingReport.com.

EXPENSES	BUDGETED AMOUNT	VENDOR ESTIMATE	EXPENSES	BUDGETED AMOUNT	VENDOR ESTIMATE
Attire & Accessories (5 percent)			Invitations & Stationery (2 percent)		
Bride accessories			Ceremony Programs		
Groom accessories			Guest Book		
Tuxedo			Invitations & Reply Cards		
Veil			Postage		
Wedding Dress			Reception Menus		
Wedding Dress Preservation			Save the Date Cards		
Miscellaneous			Table or Place Cards		
Beauty, Health & Spa (2 percent)			Thank You Cards		
Diet, weight loss, gym			Miscellaneous		
Facial			Jewelry (14 percent)		
Hair Removal			Earrings, Necklace, etc.		
Hair Service			Engagement Ring		
Manicure & Pedicure			Wedding Band for Bride		
Massage			Wedding Band for Groom		
Teeth Whitening			Miscellaneous		
Miscellaneous			Photography & Videography (8 percent)		
Entertainment (7 percent)			Photographer		
Band, DJ, entertainment			Videographer		
Ceremony musicians			Miscellaneous		
Cocktail hour musicians			Planning (10 percent)		
Dance Lessons			Binder, Books, Magazines, etc.		
Miscellaneous			Days of Coordinator		
Flowers & Decorations (6 percent)			Wedding Fairs & Events		
Boutonnieres, Corsages			Wedding Planner		
Bridal Bouquet			Miscellaneous		
Bridalmaid Bouquets			Transportation (5 percent)		
Ceremony Decorations			Limo Rental		
Ceremony Arrangements			Travel for Guests		
Flower Girl Flowers			Miscellaneous		
Flower Petals			Tenue & Catering (10 percent)		
Reception Decorations			Ceremony Accessories		
Reception Flowers			Ceremony Location		
Reception Centerpieces			Ceremony Officiant		
Miscellaneous			Reception Accessories		
Gifts & Favors (3 percent)			Reception Bar Service		
Gifts for Attendants			Reception Food Service		
Gifts for Parents			Reception Location		
Gifts for the Bride			Reception Rentals		
Gifts for the Groom			Rehearsal Dinner		
Wedding Favors			Tips		
			Wedding Cake/Desert		
			Wedding Night Hotel Room		
			Miscellaneous		

John and Mary's Wedding Budget

Date printed: 4/28/2016

Category	Percent of budget	Budgeted Amount	Actual Cost	Difference	pct
Attire	5.00%	\$ 750.00	\$ 720.00	\$30.00	96%
Beauty, Health & Spa	2.00%	\$ 300.00	\$ 360.00	(\$60.00)	120%
Entertainment	7.00%	\$ 1,050.00	\$ 998.00	\$52.00	95%
Flowers & Decoration	6.00%	\$ 900.00	\$ 773.00	\$127.00	86%
Gifts & Favors	3.00%	\$ 450.00	\$ 200.00	\$250.00	44%
Invitations & Stationery	2.00%	\$ 300.00	\$ 450.00	(\$150.00)	150%
Jewelry	14.00%	\$ 2,100.00	\$ 3,000.00	(\$900.00)	143%
Photo and Videography	8.00%	\$ 1,200.00	\$ 900.00	\$300.00	75%
Planning	10.00%	\$ 1,500.00	\$ 45.00	\$1,455.00	3%
Transportation	3.00%	\$ 450.00	\$ 500.00	(\$50.00)	111%
Venue and Catering	40.00%	\$ 6,000.00	\$ 7,250.00	(\$1,250.00)	121%
Sum	100.00%	\$ 15,000.00	\$ 15,196.00	(\$196.00)	101%



Our overall budget is: \$ 15,000.00

Components of a good Excel report:

- Header: title and (printed on) date.
- Page number optional.
- Number are formatted and sum properly
- Conditional formatting brings reader's attention to potential problems.
- Headers are centered over columns
- Easy to maintain – uses Names and helper column.



Envelope Budget

Each time you get paid, fill envelopes with the amount of cash you have budgeted for specific spending categories until the next time you're paid.

For example, if you get paid once a month and have a \$400 monthly grocery budget, each time you get paid put \$400 in cash into an envelope marked "Groceries." When you go grocery shopping, take that envelope with you, pay for your groceries with the money in the envelope, and put the change back in the envelope.



Zero Sum Budget

With a zero sum budget you tell your money where to go at the beginning of each month. You divvy up all your income between expenses, investments, and savings until you're left with a \$0.

Source: You Need a Budget www.youneedabudget.com



Budget Overview

Enter Expenses

Balance

Projected Balance	(Projected minus expenses)	\$1,585
Actual Balance	(Actual minus expenses)	\$1,740
Difference	(Actual minus projected)	\$155

Income

ACTUAL	Income 1	\$5,800
	Income 2	\$2,300
	Extra income	\$1,500
	Total income	\$9,600

Expenses

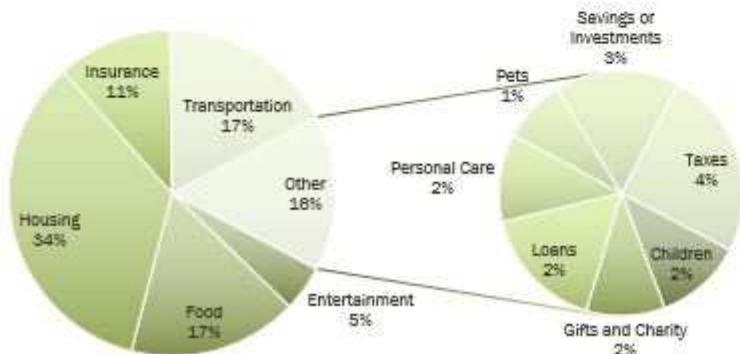
ACTUAL	\$7,860
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PROJECTED

Income 1	\$6,000
Income 2	\$1,000
Extra income	\$2,500
Total income	\$9,500

PROJECTED

\$7,915



Budget Summary

Hold Ctrl to select multiple categories

Children	Entertainment	Food	Gifts and Charity
Housing	Insurance	Loans	Personal Care
Pets	Savings or Investme...	Taxes	Transportation

Right-click Pivot Table below and then click **Refresh** to update

Category	Projected Cost	Actual Cost	Difference
Children	\$140	\$140	\$0
Entertainment	\$400	\$358	\$42
Food	\$1,100	\$1,320	(\$220)
Gifts and Charity	\$100	\$125	(\$25)
Housing	\$2,830	\$2,702	\$128
Insurance	\$900	\$900	\$0
Loans	\$200	\$200	\$0
Personal Care	\$150	\$140	\$10
Pets	\$170	\$100	\$70
Savings or Investments	\$200	\$200	\$0
Taxes	\$300	\$300	\$0
Transportation	\$1,425	\$1,375	\$50
Grand Total	\$7,915	\$7,860	\$55

Family Budget (monthly) - MS Excel Template



1. Math

1. Simple functions

2. How to make a budget

1. Calculate Net Worth
2. Get married
3. Make a family budget

3. How to display a budget

1. Conditional formatting to highlight problems.
2. Sample templates
3. Best practices when making reports



Excel is awesome with math



- Balance your checkbook
- Do complex math with a few clicks.
- Do “What-if” scenarios



Making a budget with Excel uses a little math for most things:

- SUM
- ROUND
- percentages
- Arithmetic such as multiplication and division.

Let's look at how Excel handles math
Go to page 1 in the handout.



Excel is great with budgeting



- Plan what you can spend on a project.
- Make adjustments along the way.



Think of budgeting as surfing a financial wave.



- from *The Index Card* by Helaine Olen and Harold Pollack



Adjust as
necessary



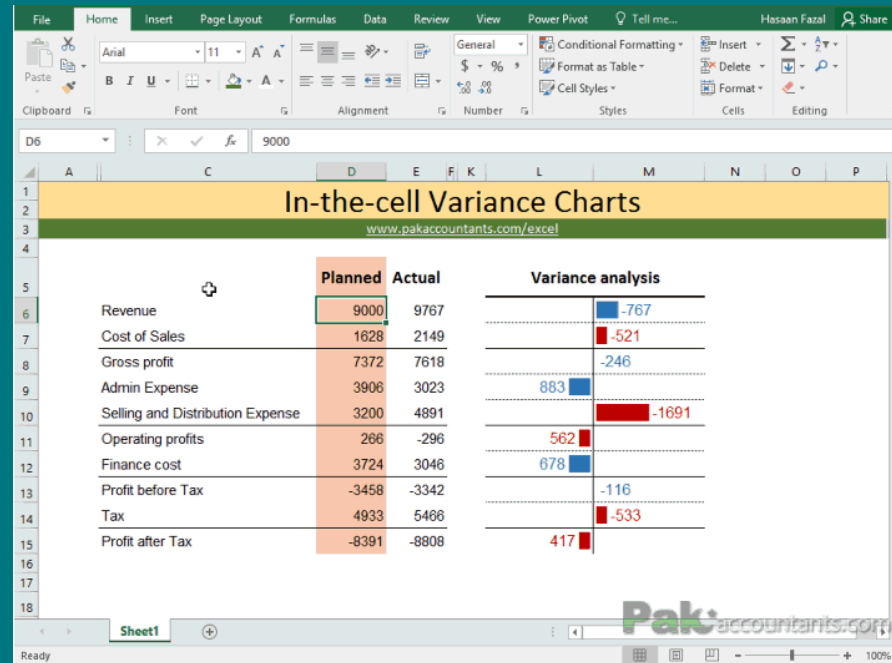
Look at
known
expenses



Guess about
future
expenses,
Make future
saving goals



Excel makes useful presentations



- Identify categories that go under or over budget



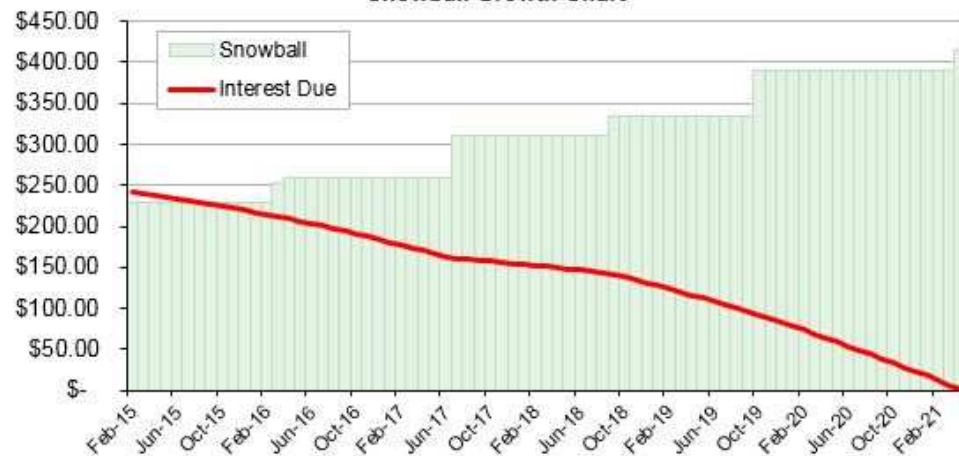
Strategy:

Creditors in Chosen Order	Original Balance	Total Interest Paid	Months to Pay Off	Month Paid Off
Auto Loan #1	3,200.00	186.45	14	Mar-16
Card #1	4,400.00	1,016.44	29	Jun-17
Student Loan #1	4,900.00	570.81	43	Aug-18
Auto Loan #2	5,000.00	2,417.89	56	Sep-19
Card #2	9,000.00	6,392.36	75	Apr-21
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

Total Interest Paid: 10,583.95 (Lower is Better)

Results are only estimates

Snowball Growth Chart



Snowball or Avalanche? Dave Ramsey encourages snowball. Pay the smallest debt of first. Template from Vertex42.com



Excel gives you control over loans and investments.



- Choose the best loan.
- Evaluate different investment fees and rates.



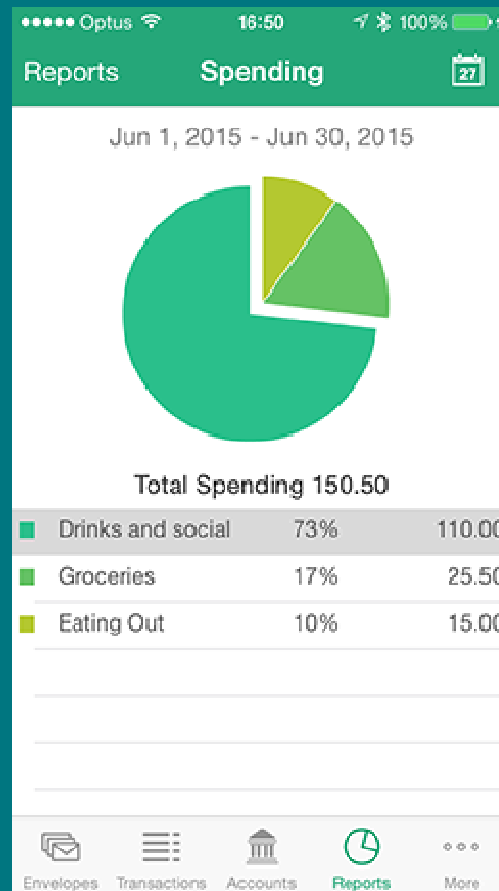
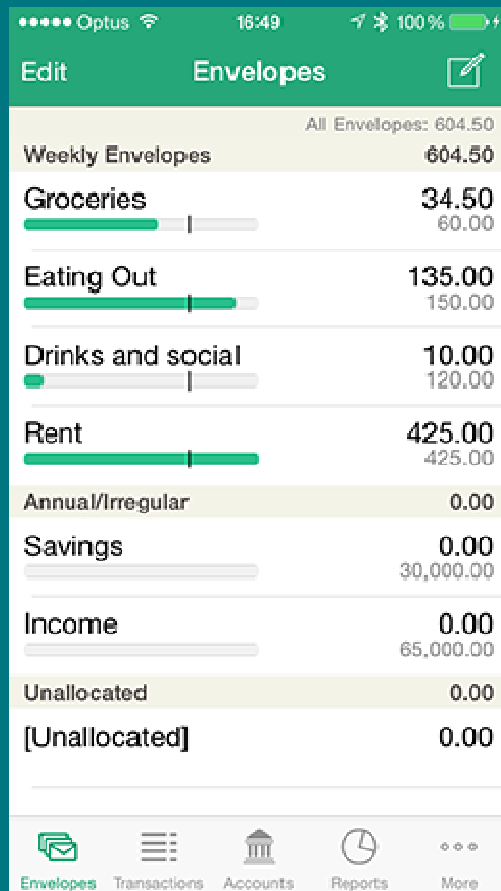
Photo by "I saw the sign" on Flickr

Adjust as
necessary **with**
family

Look at known
expenses, **gather**
info with family

Guess about
future
expenses,
Make future
saving goals
with family

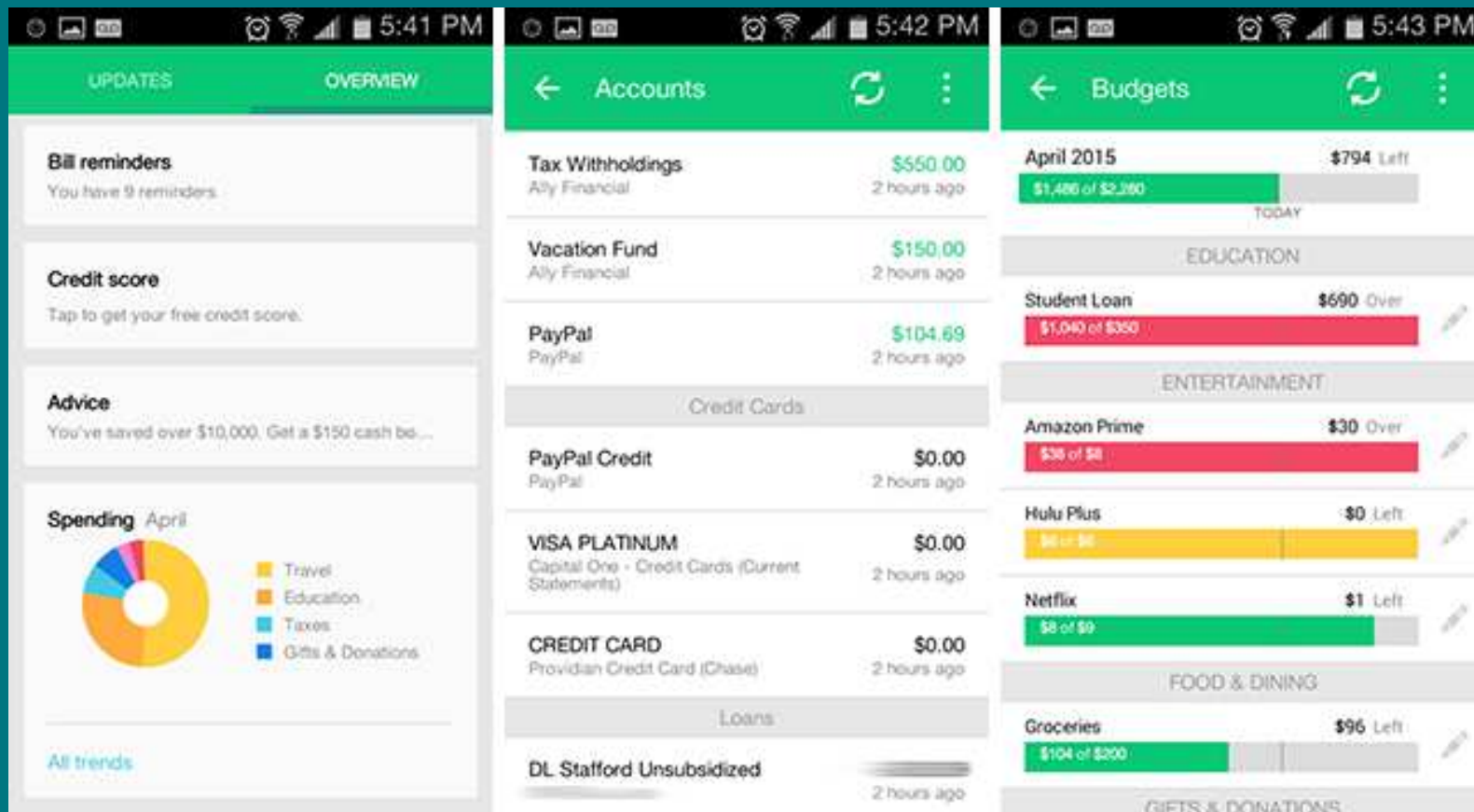




Ways to get everyone involved

Free phone apps to help track spending and even make budgets.



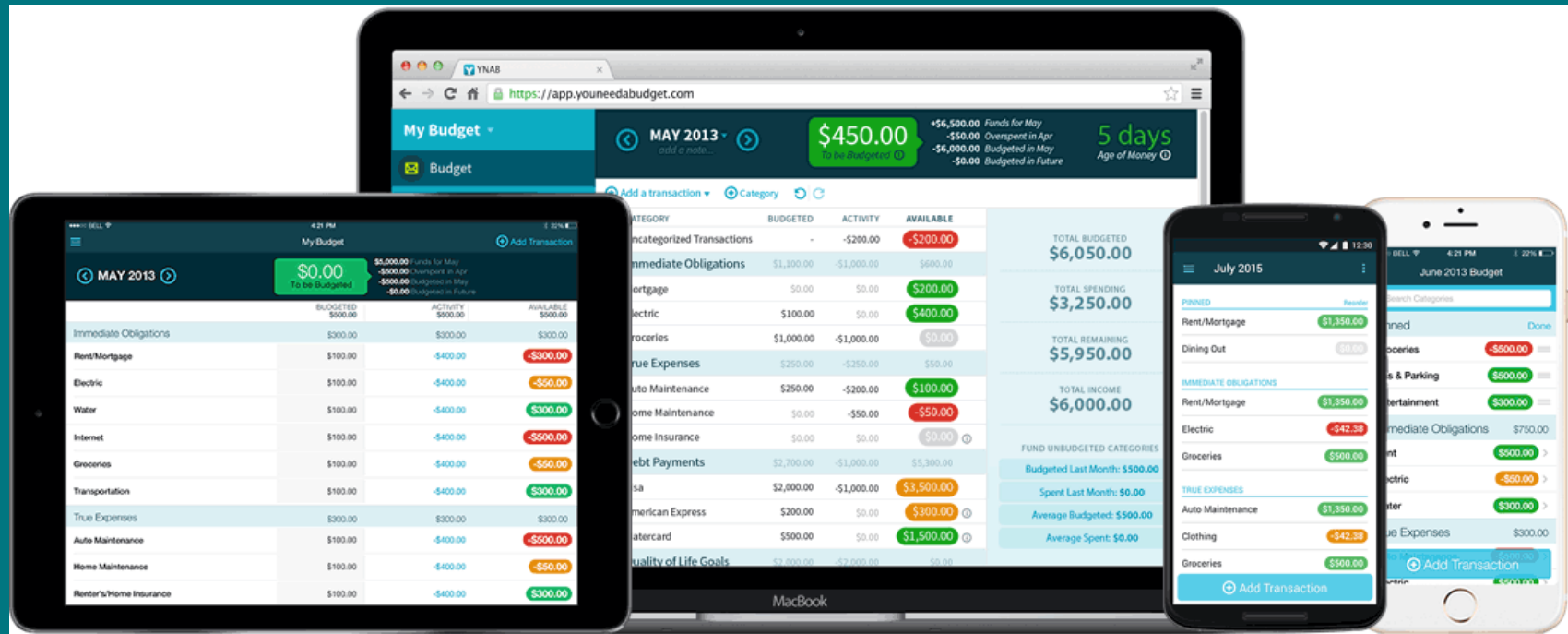


Mint.com, by Inuit. Free. All platforms.

Pulls in all your financial accounts – banking, investing, charge cards, etc.

Tracks and categorizes spending.





You Need a Budget (YNAB.com)
Evaluate for a month, \$45 a year afterwards.
Very popular software, for all platforms



“If you will live like no one else,
later you can live like no one
else.”

- *Dave Ramsey*



More Excel classes:

- Beginning Excel
- Charts and Graphs
- Formulas and Functions



Thank You

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where this presentation will be available
for four weeks.

