

Your first budget in 20 minutes

Easy · 20 min to do · Free

Start from monthly take-home pay, not salary. Subtract fixed bills, then a monthly share of once-a-year costs, then savings, then everyday spending. If the answer is below zero, cut flexible spending first. HUD counts rent plus utilities over 30% of income as a cost burden, so aim lower if you can.

YOU'LL NEED

- ☐ Your last two pay stubs
- ☐ A list of your bills and due dates
- ☐ Two or three months of bank and card statements, or your banking app
- ☐ Paper, a notes app or a spreadsheet

DO IT LIKE THIS

- 1 **Gather your pay stubs and bills.** That's where the government's budget guide says to start.
- 2 **Write down your monthly take-home pay.** Use the net pay on your stub, after taxes and deductions.
- 3 **List your fixed bills with due dates.** These are rent, utilities, phone, internet, insurance, car payment, loan minimums and subscriptions.
- 4 **Add once-a-year and irregular costs as a monthly amount.** Car registration, a yearly insurance premium, renewal fees, gifts and the holidays are real bills that just don't arrive monthly.
- 5 **Make savings a line item.** The government's guide suggests listing savings as one of your expenses, not whatever is left over.
- 6 **Estimate everyday spending from your statements.** Groceries, gas, eating out, clothes and fun.
- 7 **Subtract everything from your income.** The answer should be more than zero.
- 8 **Check your housing number.** HUD counts a household as cost-burdened when housing costs, including utilities, are more than 30% of monthly income, and severely burdened above 50%.
- 9 **Track it and redo it monthly.** Each day, write down what you spent.

Watch out Budget with take-home pay, not your salary or hourly rate. Taxes and deductions come out first, so the number on your offer letter is bigger than what you can spend.

DAD NOTE *Your budget isn't a test you pass or fail. It's a map. When you take a wrong turn, you redraw it.*

Full lesson: aptkeys.com/money/budgeting-that-survives-real-life/your-first-budget-in-20-minutes/

Checked October 2, 2026. Sources: Federal Trade Commission; Consumer Financial Protection Bureau; U.S. Department of Housing and Urban Development; Federal Deposit Insurance Corporation.