

# Create and Stick to a Budget

Living comfortably in an apartment means you will need to budget and manage your money. This can be difficult, especially if this is your first time away from home.

Here are some tips to help you budget and maintain your budget.

## CREATING A BUDGET

Looking for your first apartment can be a scary process. It is important to make sure you are financially able to keep up with the rent and all the expenses.

The best way to do so is to plan and create a budget. Take a notepad with you for a month or use a memo app on your phone. Expenses such as groceries, subscriptions and entertainment should all be noted.

Keep in mind expenses that you may pay every few months, such as car maintenance or insurance premiums. It is important to be realistic with how much you make per month. Account for what you make monthly or hourly without working overtime.

## MAINTAINING YOUR BUDGET

A budget is not set in stone, but if you have been working somewhere consistently, you have a basic idea of how much you make per month. Saving for an apartment means you may need to cut back on costs such as

subscriptions and entertainment. Remember it is only temporary, and if you follow your budget you can save to gain these items back.

Pay for the most essential things first. Food, shelter, utilities and transportation should be covered first before anything else. Any expenses after you can fill in

with the remaining income.

Setting a schedule for yourself can help you keep track of your budget. Choosing a date to go grocery shopping once a week or twice a month and setting up auto payments for your bills will help you know when money is being taken out of your account.



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## UNEXPECTED EXPENSES

Leasing an apartment can come with several unexpected purchases that can hurt your budget. When searching for apartments, it's important to know if your apartment includes appliances or if you will need to buy the appliances yourself.

Most apartments do not come furnished, meaning you will need to buy a bed, mattress, couches, chairs and kitchen appliances. Ask the landlord if the apartment comes with all these items before signing the lease.

If you aren't interested in living in an apartment long-term, furnished apartments would be better for your budget. Moving is an expense that can hurt your budget drastically. Moving into a furnished apartment can help you save on moving costs and after you leave the apartment.

Landlords may ask you to pay your first month's rent before you are even given a key. Other expenses early in the leasing process include security deposits and application fees.

It is important to know what you will have to pay when investigating an apartment complex. Take time to talk to the landlord and get information on every dollar you will invest.



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### REAL ESTATE 101



### Budget Help

People should ask themselves three important questions when creating a household budget, according to the Consumer Financial Protection Bureau.

1. Where does my money come from?
2. Where does my money go?
3. What are all my bills and when are they due?

Read the CFPB's article titled "Budgeting: How to Create a Budget and Stick With It" at [www.bit.ly/2Z1Blvf](http://www.bit.ly/2Z1Blvf).

The CFPB also offers a free budget worksheet at [www.bit.ly/31RJs4S](http://www.bit.ly/31RJs4S).

### HOMEWISE GLOSSARY

**Annual income:** a factor in a mortgage loan application; generally refers to your total earned, pre-tax income over a year, and may include income from full-time or part-time work, self-employment, tips, commissions, overtime, bonuses, or other sources.

SOURCE: [www.consumerfinance.gov](http://www.consumerfinance.gov)

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