

## How to Make a Spending Plan: Step 5, Compare Income and Expenses<sup>1</sup>

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Now that you have calculated your income and expenses in Steps 3 and 4, compare them.

If your total income is larger than your total expenses:

**Table 1.**

(1)Total Income	\$
Minus	-
(2)Total Expenses	\$
(3)Equals	\$

You can use the amount left to reach your short- and long-term goals.

If your total expenses are more than your total income:

**Table 2.**

(1)Total Expenses	\$
Minus	-
(2)Total Income	\$
(3)Equals	\$

It will be increasingly difficult to reach your short- and long-term goals if you continue to increase your total debt every month. Be careful and adjust your spending because you are overspending.

Whether you are saving money each month or going further into debt, you could probably manage your money even better than you are right now.

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