



## **BUDGETING**

To help you arrive at figures for spousal support and child support, the approach that I use in mediation begins with budgeting. An Excel spreadsheet for budgeting is available on my website, at [www.FairDivorce.com/forms.html](http://www.FairDivorce.com/forms.html)

A starting approach for approximating a “need” for spousal support could be: (1) Determine how much it will cost you to live after the divorce. (2) Subtract that number from your anticipated after-tax income. (3) The difference between the numbers is the minimum financial help that you need. The spouse who is requesting support needs to fill out a budget form in order to figure out the total living expenses. The spouse offering support needs to fill out a budget form in order to determine how much money is available. This does not necessarily specify the amount of spousal support, but it is a necessary first step. There may be additional reasons affecting the amount of support.

An over-simplified determiner for child support is: (1) Determine how much it will cost to raise the kids in each of the two homes (two separate budgets). (2) Determine how the total cost should be divided between the two of you – usually in proportion to your incomes.

Again, these are over-simplifications of the manner in which support is determined. The point I am trying to make, though, is that budgeting is an important step.

On the budget form, there is a column labeled “Me” and a column labeled “Kids.” The first column is used in determining spousal support, and the second column is used in determining child support. You need to put on your thinking cap, because each line might be determined in a different manner. Let’s assume that it’s just you and the two kids living in the house. If your weekly grocery bill is \$180, then probably 1/3 of it goes into your column and 2/3 of it goes into the children’s column. If your telephone bill is \$45 per month and the kids don’t make any long distance calls, then all \$45 of it would go into your column and none of it into the kid’s. The question that you have to ask yourself on each line is: “How much more does it cost me because of the kids?” For cable TV, the answer is probably zero, but for your car’s gasoline the kids do account for some portion of it. If 1/4 of your driving is spent taking the kids places, then 1/4 of the gasoline cost is theirs.

The NC Child Support Guidelines are forms that are filled out (usually with the help of a computer program) to provide a child support amount. However, I prefer to use the forms solely as a “guideline.” You are not “the average family” (in fact, no family is the average family). The actual amount to be paid will need to be agreed between the two of you.

I will guide the two of you step-by-step through the process of arriving at spousal and child support amounts that each of you feels is affordable and proper.

It is important that your budgets be as complete as possible. On the back side of this sheet is a check list to help insure that you haven’t omitted anything from your budget.

## Don't forget these items in your budget:

### Residence

Mortgage  
Rent  
Real Estate Taxes  
Assessment  
Insurance  
Home Equity Loan  
Condominium Fee

### Utilities

Electricity  
Natural Gas/Oil  
Propane  
Water  
Sewer  
Septic  
Regular Telephone  
Cellular Telephone  
Long Distance  
Voice Mail  
Pager  
Cable TV  
Satellite TV  
Internet Service  
Firewood

### Health

Medical Care  
Dental Care  
Vision Care  
Orthodontia  
Glasses/Contacts  
Prescriptions  
Therapist

### Insurance

Health  
Life  
Automobile  
Umbrella  
Casualty  
Disability  
Dental  
Vision  
Prescription  
Medicare  
Supplement  
Travel Insurance

### Vehicles

Gasoline  
Maintenance  
Repairs  
Vehicle Loan  
Vehicle Lease  
License  
Taxes  
Inspections

### Home Care

Maid  
Housekeeper

Lawn Mowing  
Lawn Care  
Landscaping  
Snow Removal  
Tree/Shrub Care  
Chimney Cleaning  
Window Cleaning  
Gutter Cleaning  
Carpet Cleaning  
Air Duct Cleaning  
Floor Care  
Wallpapering  
Exterminator  
Renovations  
Interior Repairs  
Exterior Repairs  
Interior Furnishings  
Exterior Furnishings  
Decorating  
Window Coverings  
Weatherizing

### Household Needs

Linens  
Kitchen Supplies  
Bathroom Supplies  
Cleaning Supplies  
Laundry Supplies  
Buying Club Fee

### Personal Needs

Groceries  
Eating Out  
Clothing  
Dry Cleaning  
Laundry  
Shoes  
Beauty Shop  
Barber Shop  
Nail Salon  
Jewelry  
Over-the-Counter Medicines  
Cosmetics  
Massage  
Health Club  
Exercise Equipment  
Subscriptions  
Magazines  
Record Club  
Book Club  
Newspaper  
Film Processing  
Film  
Video Tapes  
Cassette Tapes

### Recreation/Social

Relaxation  
Hobbies  
Entertainment  
Movies  
Movie Rental  
Tickets  
Sport Activities  
Club Dues  
Guests  
Visiting  
Short Trips

Vacation  
Equipment  
Special Clothing  
Club Membership

### Education

Tuition  
Uniforms  
Lunches  
Room & Board  
Books  
Supplies  
Fees  
Club Dues  
Frat/Sorority Dues  
Class Rings  
School Pictures  
Year Book  
Religion Classes  
Summer Camp  
Tutor  
Counselor  
Advisor  
Financial Aid

### Child Care

Nursery School  
Day Care  
Baby-sitter  
Before school care  
After school care

### Pets

Veterinarian  
Food  
Grooming  
Boarding  
Equipment  
Medical

### Special Needs

Educational  
Medical  
Equipment  
Accommodations  
Elder Care  
Home Nursing  
Home Medical Care

### Professional Services

Lawyer  
Accountant  
Financial Planner  
Investment Advisor  
Stock Broker

### Civic

Political  
Contributions  
Fund Raisers

### Charity

Tithes  
Contributions  
Donations

### Taxes

Federal Income  
State Income  
City Income  
Personal Property  
Real Property  
Self Employment

### Debt

Interest  
Credit Card  
Balances  
Personal Loan  
Unpaid Bills  
Penalties  
Consumer Loan  
Delinquent Taxes

### Holidays

Decorations  
Gifts  
Cards

### Special Events

Gifts  
Invitations  
Cards  
Parties  
Announcements  
Decorations  
Birthdays/ Anniversaries

### Computer

Computer Purchase  
Internet Fees  
Printer  
Hardware Upgrades  
Software  
Software Upgrades  
Paper  
Printer Refill  
Additional Phone Line  
Ancillary Equipment

### Legal

Child Support  
Spousal Support  
Judgments  
Fines

### Savings/Financial

Bank Fees  
IRA Fees  
Credit Card Fees  
College Savings Plan  
Emergency Fund  
Short Term Goals  
Intermediate Goals  
Long Term Goals  
Retirement