Microsoft Excel 2016 – Making a Budget

Create a Net Worth statement.

- Open Excel. Click on File > New. Type "net" in the search bar. Press <Enter>. This displays all the templates with the word "net" in them.
- 2. Click on the "Personal Net Worth" template. In the next window, click on the "Create" button.
- 3. File > Save > Browse

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- Designate a location, ex: Desktop, or a thumb drive. Remember: any data save on a Library computer's hard drive is erased at the end of your session.
- If you don't have a thumb drive handy, you can attach it to an email and email it to yourself.
- Give your file a good name so you can find it again.
- Save As Type: will most often be .xlsx, but if you have an older version of Excel at home, save it as .xls

All the Financial Advice You'll Ever Need on One Card

Rule #5: Buy Inexpensive, Well-Diversified Indexed Mutual Funds and Exchange-Traded Funds.

• Save As will copy the file when you give it a new name..

Rule #1: Strive to Save 10 to 20 Percent of Your Income

Rule #7: Buy a Home When You Are Financially Ready Rule #8: Insurance-Make Sure You're Protected

Rule #9: Do What You Can to Support the Social Safety Net

Rule #4: Never Buy or Sell Individual Stocks

Rule #10: Remember the Index Card

Rule #2: Pay Your Credit Card Balance in Full Every Month

Rule #3: Max Out Your 401(K) and Other Tax-Advantaged Savings Accounts

Rule #6: Make Your Financial Advisor Commit to the Fiduciary Standard



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Figure 1 The index card: why personal finance doesn't have to be complicated By Helaine Olen

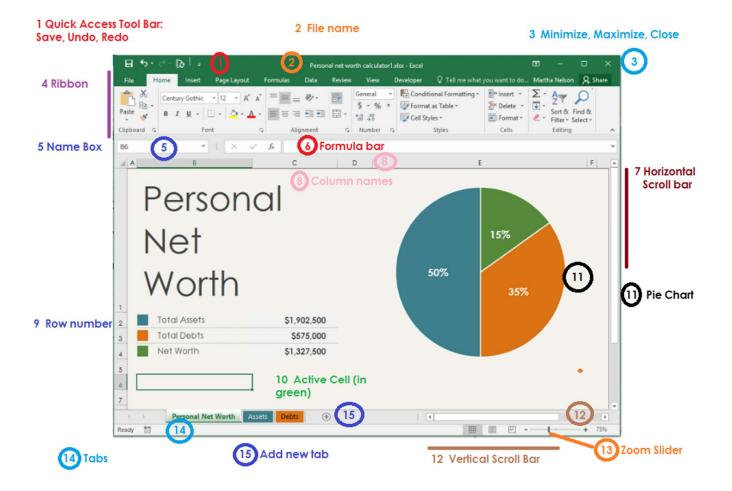
Exercise #1 – use a template





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Exercise #2- The parts of Excel



The Ribbon contains most of the controls and options for the spreadsheet.

- File controls at the file level: where to save something, the name of who created and updated it. Also the Print commands.
- Home has the Fonts, Alignment, how to display numbers and dates.
- Insert creates and updates Charts and Pivot Tables
- Page Layout controls how a printout will look landscape vs portrait, margins, titles, etc.
- Formulas, Data, Review, View, and sometimes Developer will be for more in depth study.

Note: This pie chart is completely worthless!



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Exercise #3 – update a spreadsheet

Asset: An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Examples are cash, securities, accounts receivable, inventory, office equipment, real estate, a car, and other property.

Liability: financial debt or obligations that arise during the course of its business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods or services. Recorded on the right side of the balance sheet, liabilities include loans, accounts payable, mortgages, deferred revenues and accrued expenses. Translation: debts.

Net worth: the amount by which assets exceed liabilities. Net worth is a concept applicable to individuals and businesses as a key measure of how much an entity is worth. A consistent increase in net worth indicates good financial health; conversely, net worth may be depleted by annual operating losses or a substantial decrease in asset values relative to liabilities. Translation: the difference between assets and liabilities.

https://www.investopedia.com

In this exercise, click on the Assets tab.

- 1. Change the value of Investments Other from \$20,000 to \$40,000. Press Enter or Tab to commit the change.
- 2. Go back to the Personal Net Worth tab and notice the Total Assets amount has changed from \$1,902,500 to \$1,922,500
- 3. Page Layout > Themes. Mouse over the different themes see different color and font combinations. When you find one you like, click on it to apply the change.
- 4. Add a row to a table. In the Assets tab, click on row 24, enter the data and press enter.
- 5. Delete a row from a table. <Right click> on the row number, in the pop-up menu, click on Delete.

Advanced Notes:

Both the Assets and the Debts tabs have data arranged in Tables, and they use structured references for the data.

Formulas > Name Manager - look at all the "behind the scenes" calculations. Not that NetWorth is calculated by TotalAssets-TotalDebts



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Exercise #4 - create a budget

- 1. Open Excel. Click on File > New. Type "budget" in the search bar. Press <Enter>.
- 2. Click on the Create button.
- 3. Save file if you want to.



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Franklin G	$\begin{array}{c c} \text{iothic } B(\bullet 10 & \bullet \\ 10 & \bullet \\ 1 &$		e Wrap Text Merge & Center t	General • \$ • % • * * * * * * * * * * * * *	Conditional Format a Formatting * Table *		Delete Format Cells	∑ - A Z V Sort & Find - Filter - Selec Editing
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в	C D	E F	G H	11	i i	к	L	M
Budge	t Overview	Er	nter Expenses	Budget	Summary			
Balance				Hold Ctrl to select multiple categories				3 目 下。
Projected Balance	ctual Balance (Actual minus expenses) \$1,740			Children	Entertainment	Food	Gifts and C	Charity
Actual Balance Difference				Housing	Insurance	Loans	Personal C	
				Pets	Savings or Investments	Taxes	Transporta	ition
Income		Expenses		Right-click PivotTable	below and then click Refres	h to update		
ACTUAL	Income 1 \$5,800 Income 2 \$2,300	ACTUAL	\$7.860	Category	· Pro	jected Cost	Actual Cost	Difference
AUTOAL	Extra income \$1,500 Total income \$9,600	ACTOR	91,000	Children		\$140	\$140	\$0
				Entertainment		\$400	\$358	\$42
PROJECTED	Income 1 \$6,000 Income 2 \$1,000 Extra income \$2,500 Total income \$9,500	PROJECTED \$7,915		Food		\$1,100	\$1,320	(\$220)
			\$7,915	Gifts and Charity		\$100	\$125	(\$25)
				● Housing		\$2,830	\$2,702	\$128
				Insurance		\$900	\$900	\$0
		Saving Investn 3%	nents	■Loans		\$200	\$200	\$0
Insurance Pets 3%			Personal Care		\$150	\$140	\$10	
	17%							
	Other 2		Taxes 4%	Pets		\$170	\$100	\$70
	16%			Savings or Investment	ts	\$200	\$200	\$0
Housing 34%		Loans 2%	Children 2%	 Taxes 		\$300	\$300	\$0
Housing 34%								
Housing 34%	Food Entertainment 5%	Gifts and 2		Transportation		\$1,425	\$1,375	\$50



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Error Messages:

#DIV/0!	The denominator is 0
#NAME?	Range Name doesn't exist in a worksheet. Check for a typo.
#NULL!	When you enter a space instead of a comma to separate cell references
#NUM!	Wrong type of argument in a function, or a number is too big or small
#REF!	Invalid cell reference, happens with clumsy cut & pasting.
#VALUE!	Wrong type of argument in a function, or if you do math on text
#####	Not really an error message - the column is too narrow to display the field. Adjust column width to display cell.



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Excellent links for budgeting and financial advice. Calculators to help.

https://secure.aarp.org/work/retirement-planning/retirement_calculator.html https://www.ssa.gov/retire/estimator.html

- These retirement calculators ask you to enter your current savings and earnings and return a recommended goal range for your retirement.

http://www.aarp.org/work/retirement-planning/roth vs traditional 401k calculator/

- A visual explanation between the two types of IRAs.

http://www.mymoney.gov Learn all about money. In English and Spanish. https://www.investor.gov/ Learn all about investing from the SEC. In English and Spanish.

https://www.moneysmart.gov.au/ Money tips from the Australian government. Great credit card debt calculators

http://www.investopedia.com/university/budgeting/

http://www.youneedabudget.com/ - one month free trial, \$45 a year.

https://www.mint.com/ - free budget maker, hooks into your financial and credit accounts.

Help with math and finance

http://www.wolframalpha.com/input/?i=compound+interest

- Double check your math when starting to learn Excel functions.

https://www.khanacademy.org/economics-finance-domain/core-finance

- Excellent videos about personal finance, investing. From the non-profit with the aim of providing a "free, world-class education for anyone, anywhere".

http://buffettsbooks.com/

- Learn financial investing using the sources that Warren Buffet uses. Very manageable breakdown of important concepts such as "What is a balance sheet".

http://finance.yahoo.com/

Help with Excel

http://www.vertex42.com/Calculators/debt-reduction-calculator.html This site has many interesting budgeting templates.

