KINGDOM FAMILY MINISTRY

MINISTRY

Stronger Families. Stronger Communities.

Fixed vs. Variable Expenses

Financial Goal Planner & Debt Freedom Toolkit

Understanding your expenses is the foundation of every budget. Knowing what you can and cannot control helps you plan smarter.

FIXED EXPENSES

Stay the same each month

Predictable, recurring costs that do not change month to month regardless of usage or behavior. Easier to plan for because the amount is known in advance.

VARIABLE EXPENSES

Change month to month

Costs that fluctuate based on your choices, habits, or circumstances. Harder to predict precisely but offer the most opportunity to reduce spending.

Common Examples

Fixed Expenses	Variable Expenses
Rent / Mortgage Set by lease or loan; largest fixed cost for most households	**Groceries** Varies by shopping habits, family size, and food choices
Car payment Fixed monthly auto loan or lease obligation	**Utilities** Electric, gas, and water change with usage and season
Insurance premiums Health, auto, life, renters/homeowners — set monthly rate	**Gas / fuel** Fluctuates with driving habits and fuel prices
Loan payments Student loans, personal loans — fixed monthly obligation	**Dining out** Discretionary; one of the most flexible areas to reduce
Subscription services Streaming, gym, software with a fixed monthly or annual fee	**Clothing & personal** Varies by need, season, and personal spending decisions
Childcare / daycare Contracted, consistent weekly or monthly rate	**Entertainment** Movies, events, hobbies — fully within your control

HOW TO USE THIS IN YOUR BUDGET

1. **List all fixed expenses first —** they are non-negotiable; budget these before anything else.
2. **Estimate variable expenses** by reviewing 2–3 months of actual bank or card statements.
3. **Reduce variable expenses first** when you need to cut back — they offer the most flexibility.
4. **Watch for subscription creep —** review fixed-fee services every 6 months and cancel unused ones.

Note — Periodic Expenses:
Some costs — car registration, annual insurance, holiday gifts — are fixed in amount but occur less than monthly.

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