

WHY BUDGET?

Living with a budget may seem restrictive, but it's actually empowering.



With a budget, you'll be empowered to:

- 1 Spend less than you earn
- 2 See exactly how much you have to work with
- 3 See where the money is going
- 4 See where your spending weaknesses are
- 5 Address those weaknesses
- 6 Reallocate funds from what's less important to you to what's more important to you

Getting Started

- ✓ Establish your long-term goals
- ✓ Know your take-home pay
- ✓ Collect monthly receipts
- ✓ Factor in regular, periodic expenses (e.g.: insurance)
- ✓ Record every expense, no matter how small
- ✓ Be realistic with goals
- ✓ Set up automatic savings
- ✓ Adjust your plan as needed



Common Goals

- ✓ Reduce debt
- ✓ Save for a down payment to buy a house
- ✓ Pay down or pay off credit card debt
- ✓ Make a major purchase
- ✓ Establish college savings
- ✓ Build an emergency fund

Budgeting Tools



Paper and pencil



Quicken or similar software



Excel spreadsheet



Smartphone apps there are several that can help

Common Ways to Save

- ✓ Reduce entertainment spending
- ✓ Cut down on eating out
- ✓ Budget your vacations
- ✓ Use coupons
- ✓ Look for bargains on gas
- ✓ Skip sodas and coffees when eating out - Water is usually free



Reducing Debt

- ✓ Pay off higher-interest credit cards first
- ✓ Take advantage of balance-transfer offers if they have promo rates
- ✓ Make a game of it by challenging family members to see who can save the most on regular expenses
- ✓ Talk with the credit union staff for more ideas

Steps to Choosing and Reaching Your Financial Goals

Boost your motivation to reach your goals by **prioritizing**, **tracking** and finally **rewarding** yourself for your hard work and sticking to your plan.

Prioritize Prioritizing your goals means taking a little personal reflection time and writing a few things down.

- ⇒ Ask yourself what you want.
- ⇒ Think about it for 10 minutes.
- ⇒ Write the answers down.
- ⇒ Realize your goals are achievable.

Track Tracking your expenses means being aware of where your money is going *as you spend it*.

- ⇒ Try out a new budgeting system today
- ⇒ Browse the App Store or the web, or pick up a book
- ⇒ Don't spend much time comparing approaches
- ⇒ Just pick one and try it out

Reward Rewarding yourself means encouraging and celebrating your progress as you create healthier financial habits.

- ⇒ Set a timer for 10 minutes and brainstorm items for budgeting milestones and possible rewards
- ⇒ After the time is up, assign the rewards to your milestones
- ⇒ Rewards should celebrate your efforts and be exciting to work toward
- ⇒ When you reach your milestones, claim your rewards!