



BUDGET *Basics*



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Insured by NCUA

TOPICS

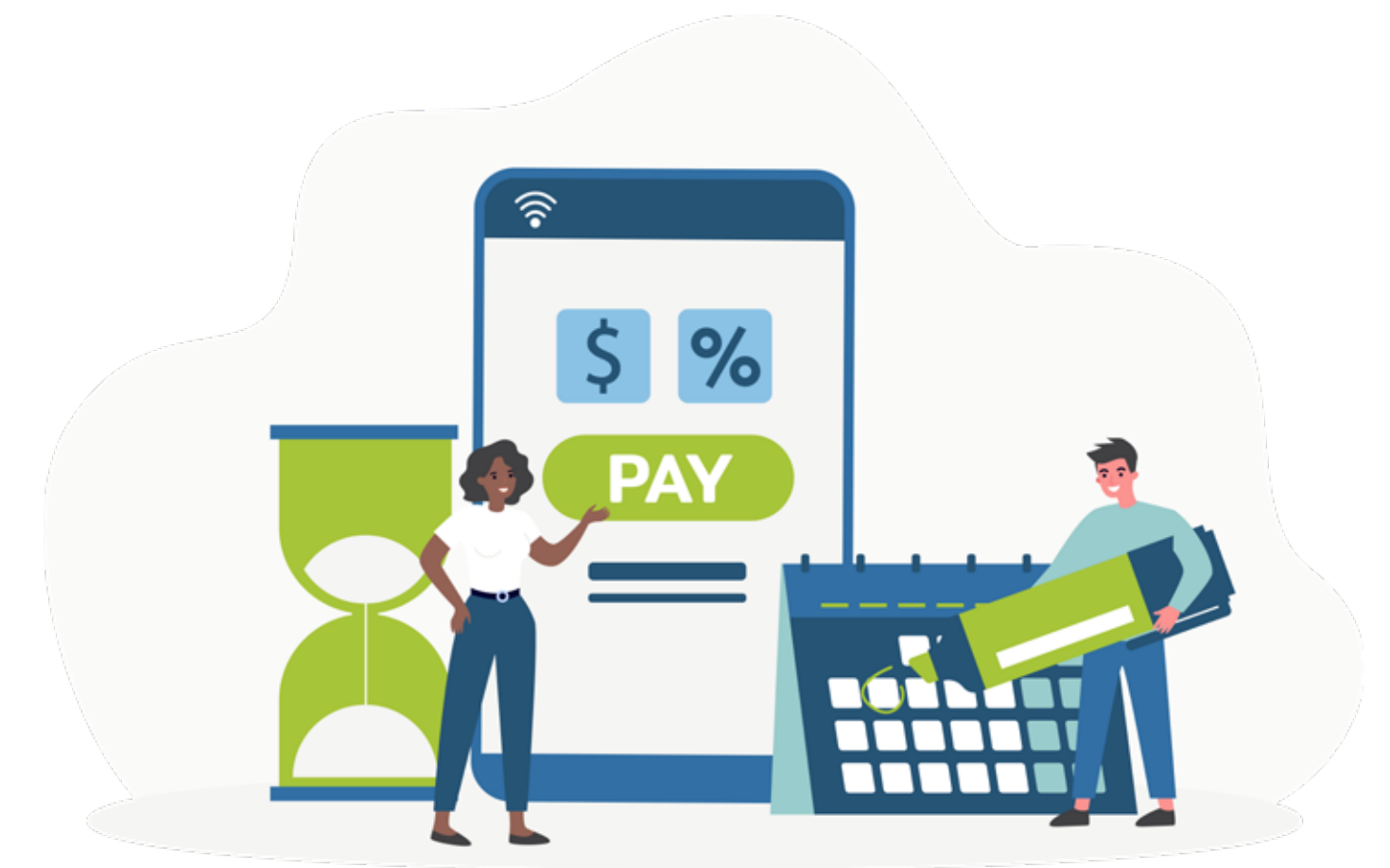
BUDGET *Basics*



**THE BUDGET
PROCESS**



**REDUCE CLUTTER
& FIND SAVINGS**



**USE OF
TECHNOLOGY**

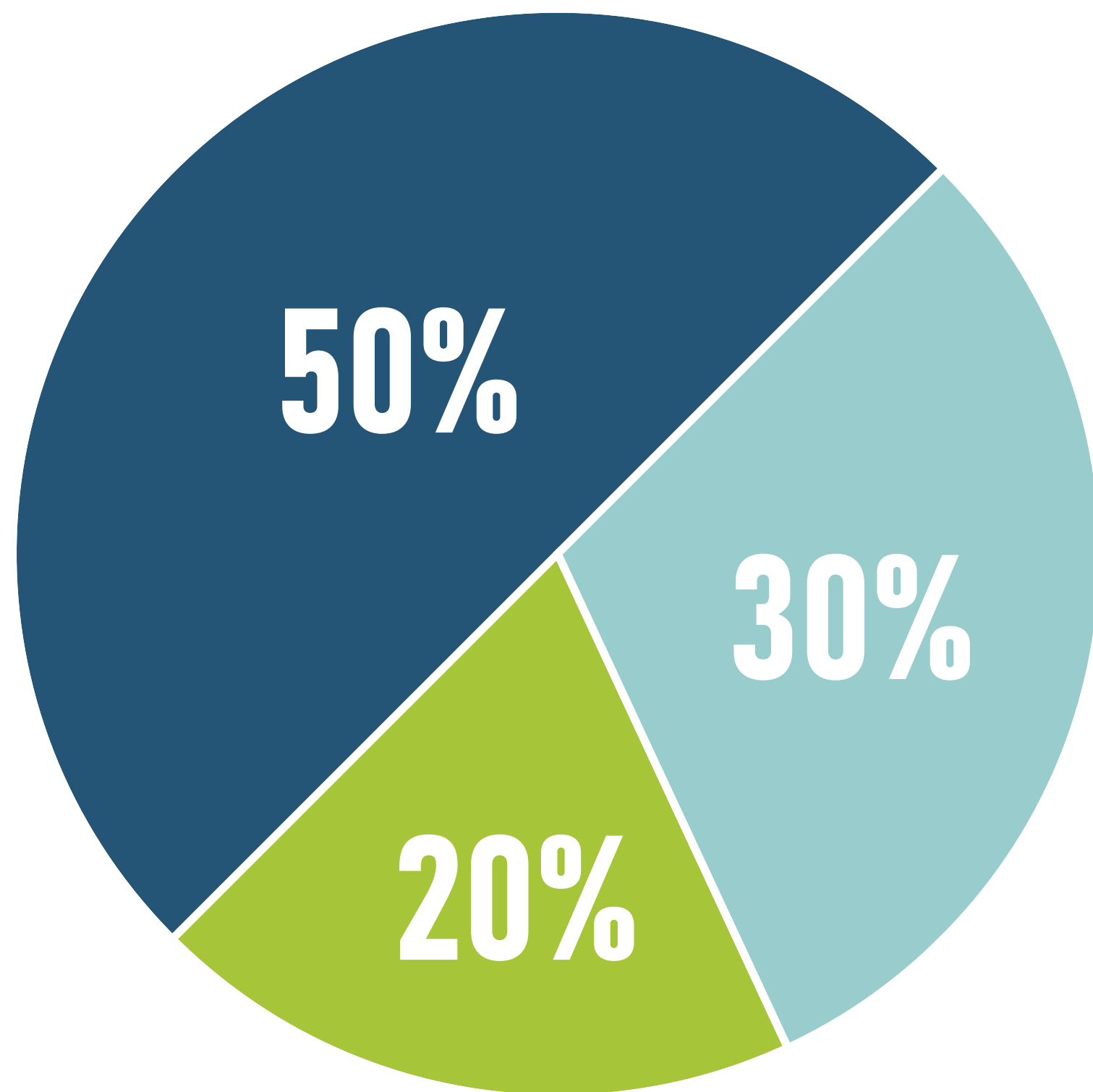


The Budget **PROCESS**

What is the 50/30/20 Rule and how does it work?

THE BUDGET PROCESS

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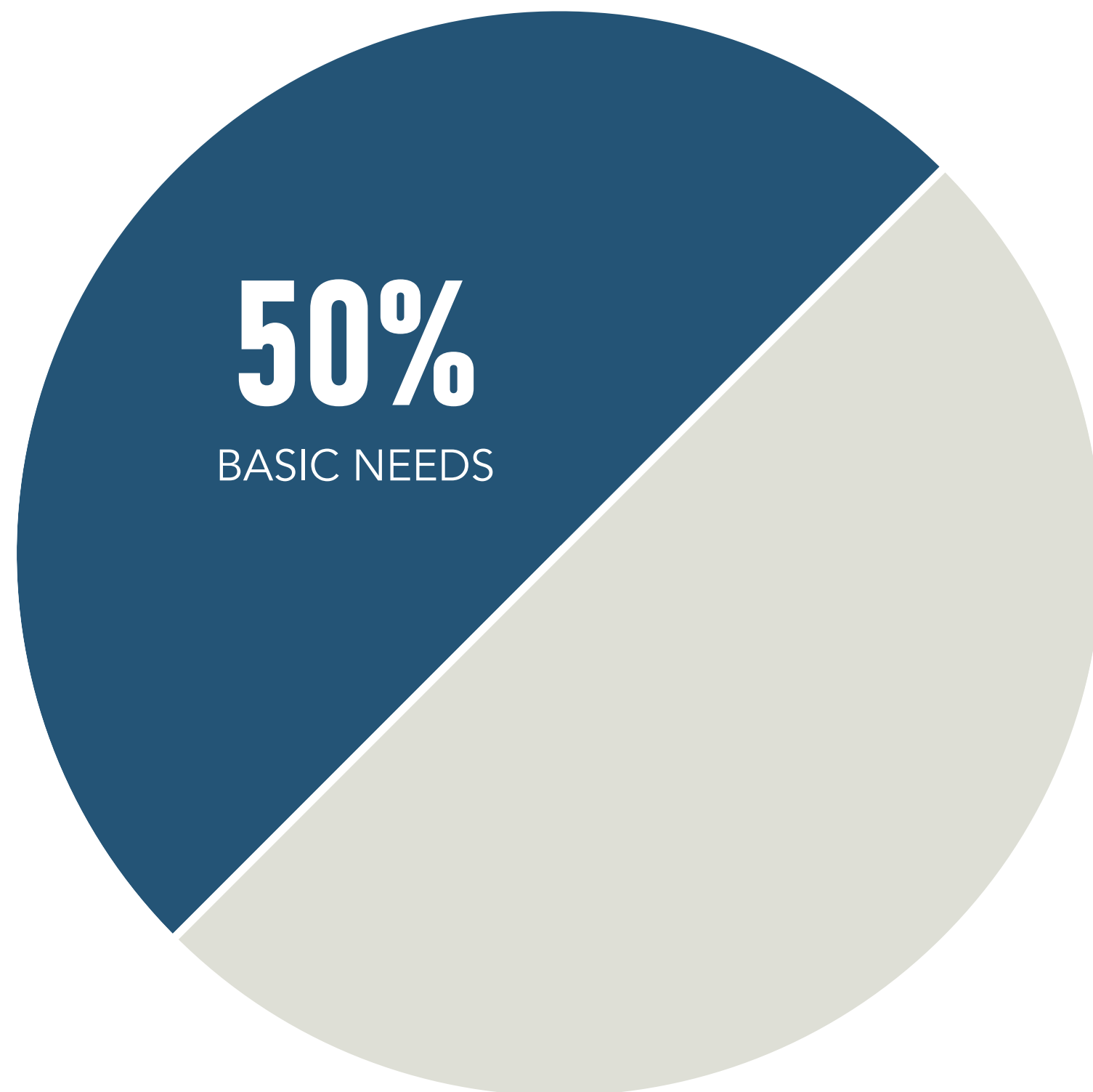


The 50/30/20 Rule

One of the most common percentage-based budgets is the 50/30/20 rule. The idea is to divide your income into three categories, spending 50% on needs, 30% on wants, and 20% on savings.

THE BUDGET PROCESS

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50% Basic Needs

30% Rent

This includes paid parking spot, pet fees, renter's insurance, and initial security deposit.

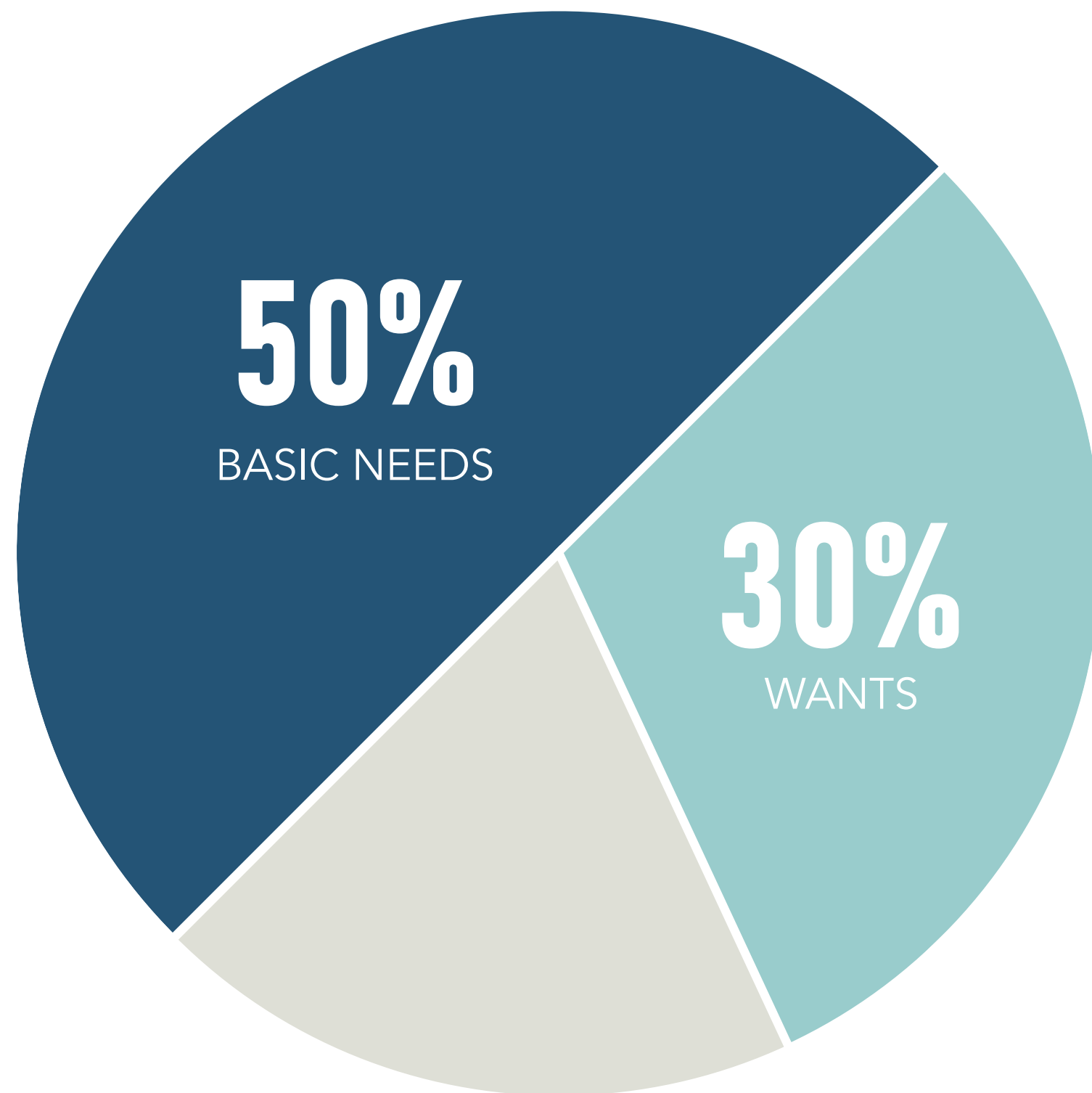
20% Mandatory Bills

This includes car payments, groceries, insurance, health care, minimum debt payments (credit cards), and utilities.

If you are spending more than 50% on your needs, you will either have to cut down on wants or try to downsize your lifestyle.

THE BUDGET PROCESS

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30% **Wants**

All the things you spend money on that are not absolutely essential.

Examples

Electronics, events, TV subscriptions, eating out, gym memberships, vacations, Add more!

THE BUDGET PROCESS

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20% Savings

3-Month emergency savings, retirement, extra payments on loans, IRA contributions, investments, etc.

MEET BOB

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Who is Bob?

Paycheck (income after taxes, benefits, and check-cashing fees)	\$ 3,000.00
Other income (e.g., side jobs, child support)	\$ 200.00
Total Monthly Income	\$ 3200.00

BOB'S BUDGET

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HOUSING	Rent or Mortgage	\$ 1,100.00
	Renter's Insurance or Homeowner's Insurance	\$ 15.00
	Utilities (electric, gas, water)	\$ 155.00
	Internet, cable, and cell phone and/or landline	\$ 95.00
	Other housing expenses (like property taxes)	\$ 0.00

TRANSPORT	Public transit (bus, taxi, ride-sharing)	\$ 0.00
	Gasoline	\$ 120.00
	Car maintenance (oil change, new tires)	\$ 50.00
	Car payments (insurance, loans, lease)	\$ 420.00
	Other transportation expenses (parking, tolls)	\$ 0.00

HEALTH	Prescriptions and medications	\$ 22.00
	Health insurance (if not deducted from pay)	\$ 20.00
	Other medical expenses (copays, glasses, etc...)	\$ 0.00

FOOD	Groceries and household supplies	\$ 300.00
	Meals out	\$ 60.00
	Other (meal subscription)	\$ 0.00

PERSONAL	Child care (daycare, babysitter)	\$ 0.00
	Money given or sent to family	\$ 50.00
	Other medical expenses (copays, glasses, etc...)	\$ 20.00
	Entertainment (movies, concerts)	\$ 40.00
	Subscriptions (streaming services, music)	\$ 35.00
	Pet care (food, vet, dog-daycare)	\$ 0.00
Personal expenses (toiletries, makeup, haircut)	\$ 60.00	

OTHER	School costs (supplies, tuition, student loans)	\$ 165.00
	Other debt payments	\$ 225.00
	Savings	\$ 0 - 100
	Other expenses	\$ 0.00

Total Monthly Expenses	\$ 2,852.00
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BOB'S BUDGET

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Zero-Based Budget

Your income minus budgeted items equals zero. You've accounted for each dollar that comes in and goes out, including your savings account which should always be a priority.

Bob's Zero Based Budget	
Total Income	\$ 3,200.00
Total Monthly Expenses	\$ 2,852.00
Savings (Total Left Over)	\$ 348.00



Reduce Clutter & FIND SAVINGS

Learn how SMART Goals can help you reach your financial goals.

SMART GOALS

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What are **SMART** Goals?

By setting goals, you are providing yourself with a target to aim for. A SMART goal is used to help guide goal setting. SMART goals incorporate all of the criteria below to help focus your efforts and increase the chances of achieving your goal.

- Specific** Well defined, clear, and unambiguous
- Measurable** Includes criteria that measure your progress toward the accomplishment of the goal
- Achievable** Attainable and not impossible to achieve
- Realistic** Within reach, realistic, and relevant to your life purpose
- Timely** With a clearly defined timeline, including a starting date and a target date. The purpose is to create urgency.

PAY OFF DEBT

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Use **SMART** Goals to Pay off Debt

SMART Financial Goals - Plan and pay off credit card or pay for irregular expenses like birthdays, Christmas, and car maintenance.

Create a plan that includes total cost, time frame and how much your goal will cost per paycheck. If you've accumulated credit card debt, you can pay it off using the S.M.A.R.T. formula.

Follow along to see how SMART goals can be used to help you pay off your outstanding debt.



SMART: SPECIFIC

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Specific

Let's break things down.

Goal:

Your specific goal is to pay off your credit card debt in full.

SMART: MEASURABLE

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Measurable

How much money do you owe on your credit card? This figure (for example \$3,000) will make your goal measurable.

Updated Goal:

Paying off your \$3,000 credit card debt in full.



SMART: ACHIEVABLE

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Achievable

To achieve this, you will need to take actionable steps that will help you track your progress.

What is Achievable:

To successfully pay off your \$3,000 debt, you will put \$300 plus interest every month towards your credit card. You will also stop using it temporarily to avoid accumulating additional debt.

SMART: REALISTIC

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Realistic

Assess the steps you plan to take to achieve your goal. If you're willing to pick up extra shifts at work, cut your entertainment budget, and stop borrowing more, your goal is realistic. If you're hoping to get a promotion or win the money on a betting app, then you may want to re-think your strategy.

What is Realistic:

To successfully pay off your \$3,000 debt, you will put \$300 plus interest every month towards your credit card. You will also stop using it temporarily to avoid accumulating additional debt.



SMART: TIME-BASED

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Time-Based

By applying \$300/month plus interest towards your debt, you will achieve your goal in 10 months.

Your S.M.A.R.T. financial goal is:

I will pay off my \$3,000 credit card debt in 10 months by putting \$300/month (plus interest) towards it. I will achieve this by cutting my entertainment budget and not using my card during this time



Using Your

TECHNOLOGY

Resources are easy to access and save you time everyday.

MOBILE BANKING

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Monitor Balances



Transfer Funds



Easily Pay Friends
& Family



Create Automatic
Transfers



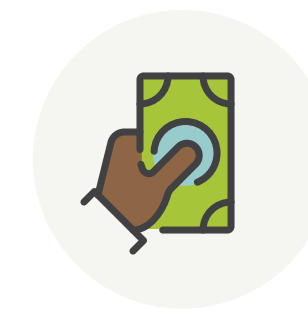
Deposit Checks



Bank Anywhere



Easily Pay Bills



Build Savings

BILL PAY

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Saving Time



Saving Money



It's Free



It's Secure



Decreasing Clutter



Improve Financial
Management



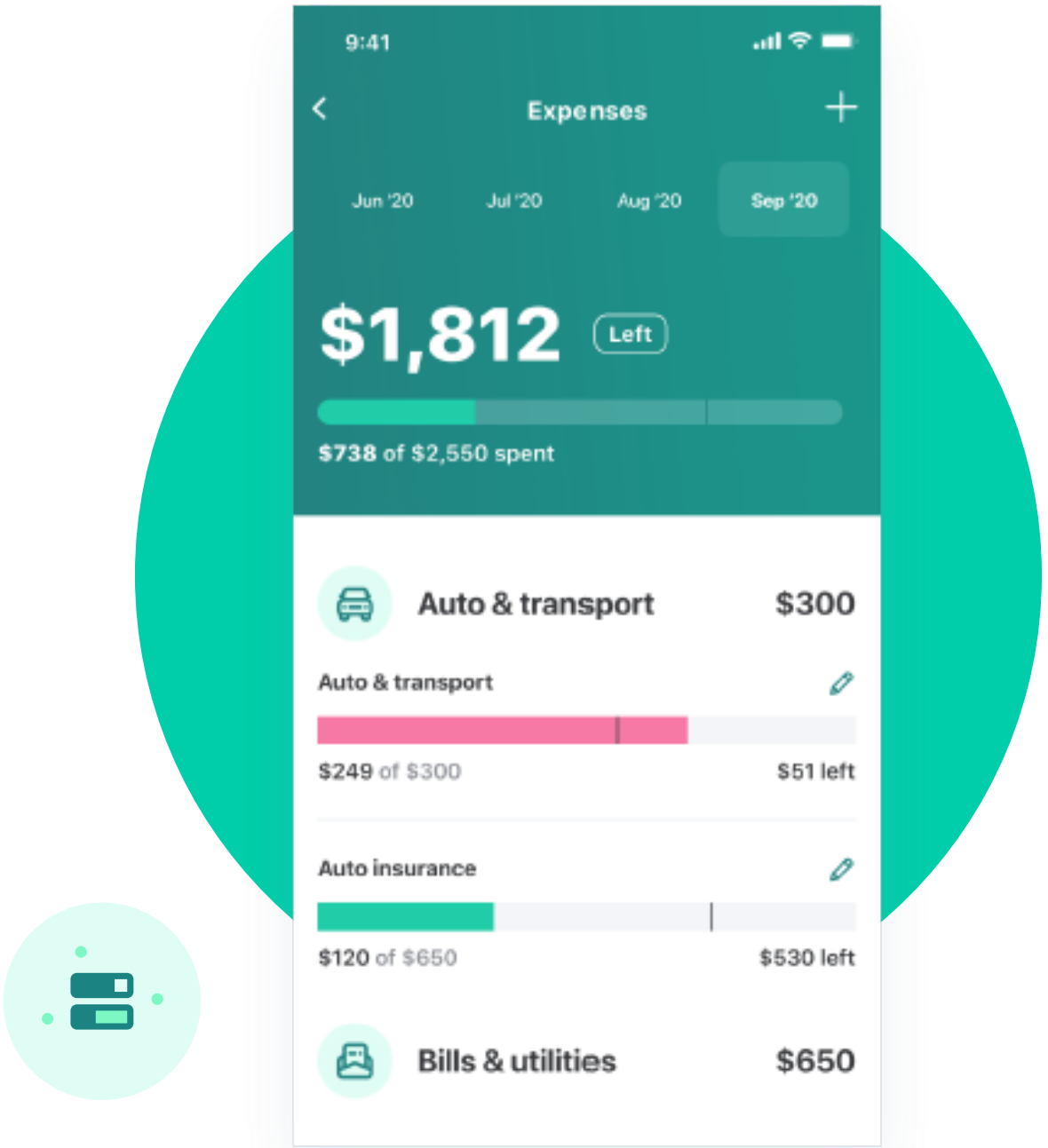
Convenient



Eco-Friendly

BUDGETING APPS

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Mint.com



GreenPath



Make a Spreadsheet

While spreadsheets aren't for everyone, they can be a very useful tool when it comes to tracking your monthly or yearly budget goals. The benefits to keeping a spreadsheet include:

- 1 Stay organized easily.
- 2 Keep track of your expenses, debts, and income with the ability to update as things change
- 3 Create formulas that do the math for you.
- 4 Create visuals to help you better understand your budget.



Moving
FORWARD

You can do this!

SAVINGS = EXPENSE

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Save Save Save!

When you consider putting money into your savings account each month a mandatory bill, you are guaranteed to build your savings. Even when you may be starting out, if you can only budget for \$5 per month, you will be able to grow your savings over time and be thankful you did!





How to Stick to a Budget

Making a budget is one thing; sticking to it is another. Sticking to a budget may require these actions:

- 1** Complete weekly budget check-ins to ensure you're on track for your budget goals
- 2** Pay with cash if tempted to overspend with your debit or credit card
- 3** Consider an accountability partner who can offer encouragement, advice, and motivation for following your budget plan.
- 4** Review your budget once a month to see if your income or expenses have changed
- 5** Track expenses regularly
- 6** Give yourself a small reward for sticking to your budget for the month

BUDGET VS BALANCE

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Budget Only for Your Current Situation

Something to keep in mind while going over your budget is to always budget for your current financial situation. If you are budgeting for a new job or a pay raise you don't actually have yet, it may not be in your best interest to account for those things. Doing this helps you to stay accountable for what you can afford now, and avoid potential overspending or debt.

YOU GOT THIS!

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Be Confident

Budgeting can be hard, but as we learn new things and do it more often, it can only get easier. You may not see large results quickly, however over time learning your budget can make the biggest difference in achieving your financial goals.





Answering Your **QUESTIONS**

**Now is the time to ask those questions
you've been thinking about!**



Thank You for
JOINING US



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