

Budgeting



A Little Bit About Me



IN PARTNERSHIP WITH





What is Your Experience with Budgeting?

- ❑ What does budgeting mean to **you**?
- ❑ What are some things you do to budget **now**?
- ❑ What are you hoping **to learn** tonight with this session?





Learning Objectives

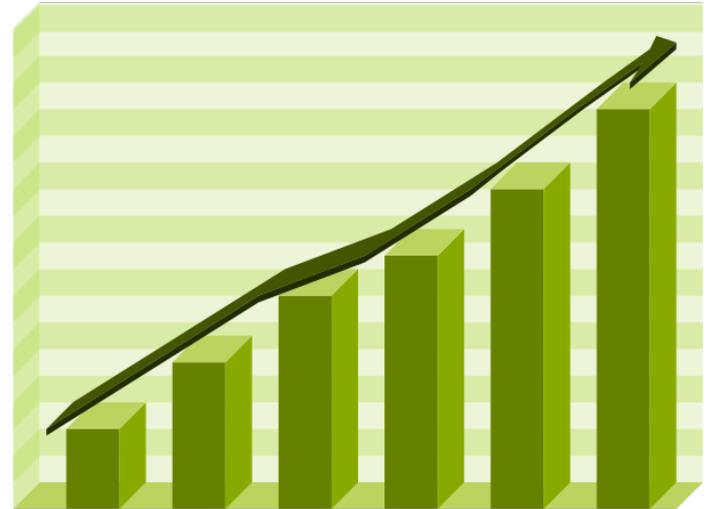
1. Understand how to budget with a **steady income** and/or a **varying income**
2. Understand the **different types** of budgets and discuss how they might be used
3. Understand **available resources** to help with budgeting





Why You Budget

- ❑ Stops you from **overspending**
- ❑ Helps you reach **financial goals**
- ❑ Helps you **save** money
- ❑ **Reduces** stress





Budgeting 101

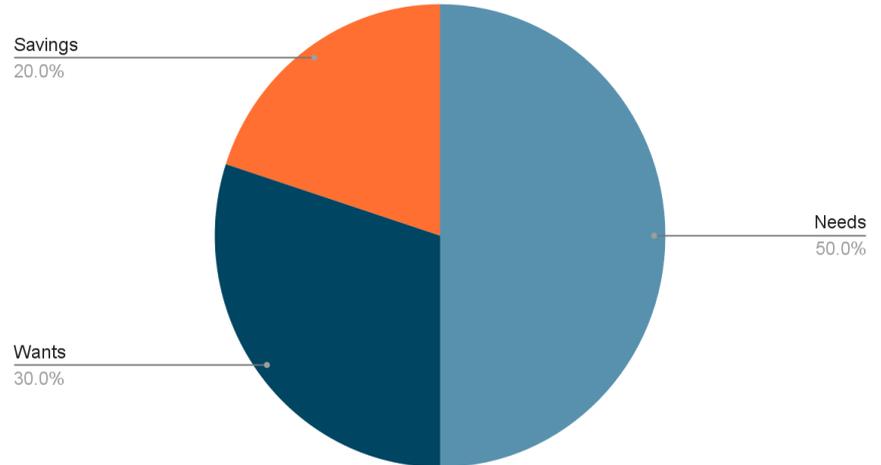
- ❑ There is *no one correct way* to budget!
- ❑ **Things to consider** when creating a budget
 - ❑ Your expenses
 - ❑ Fixed vs. Variable
 - ❑ Your income
 - ❑ Regular vs. Variable
- ❑ Types of **Budgets**
 - ❑ 50-30-20 Budget
 - ❑ Envelope System
 - ❑ Zero-based budgeting



50-30-20 Budget

- ❑ Basic backbone to most budgets
- ❑ **Breakdown**
 - ❑ 50% of your monthly income goes to needs
 - ❑ 30% goes towards wants
 - ❑ 20% goes towards savings and debt repayment

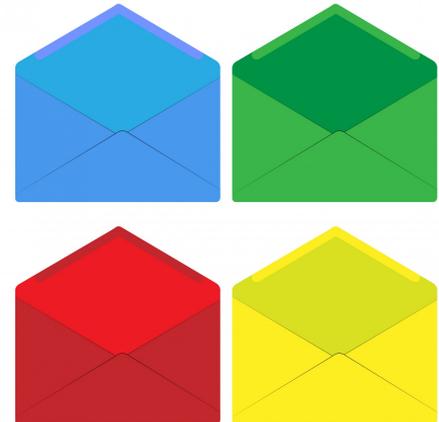
Budget





Envelope Budget

- ❑ What it is
 - ❑ Divide money up into **different categories** and place into **envelopes**
 - ❑ It is found that people who **use cash** are more connected to their money and tend to **spend less** than people who use credit cards
 - ❑ Can be very broad with the envelopes or very specific
- ❑ Most Beneficial for
 - ❑ **New** budgeters
 - ❑ **Impulse** spenders
- ❑ Pros and Cons





Zero-Based Budget

- ❑ What it is
 - ❑ Budget where all of your **monthly income** is accounted for
 - ❑ By the end of the month your income minus expenses should equal **zero**
- ❑ Most beneficial for
 - ❑ **Serious** and experienced budgeters
 - ❑ People who want to get **specific** with their budget
- ❑ Pros and Cons

Zero-based budgeting example

Monthly income: **\$3,000**

Rent	\$1,000
Groceries	\$375
Eating out	\$75
Bills	\$250
Insurance	\$100
Gas	\$250
Clothing	\$75
Entertainment	\$100
Emergency fund	\$150
Retirement	\$175
Credit card payments	\$125
Student loan payments	\$125
Travel fund	\$100
Other	\$100

Amount left: **\$0**



Budgeting resources

❏ Apps

- ❏ Pocketguard: connects to accounts and tracks recurring bills
- ❏ Mint: connects to financial accounts and tracks and categorizes spending
- ❏ EveryDollar: zero-based budget system
- ❏ Goodbudget: envelope budget system, allows multiple devices to be connected to an account
- ❏ Honeydue: automatically categorizes expenses, you set limits, great for budgeting with a partner

❏ Websites

- ❏ Nerdwallet.com
- ❏ thebalance.com

At the end of the day do what works best for you. Even just tracking how much you are spending and where you are spending it can be helpful!



References

<https://www.nerdwallet.com/article/finance/zero-based-budgeting-explained>

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