

Budgeting 101

Basics



MIND YOUR MONEY



What is a budget?

- Everyone has a budget but some may have a more loose budget than others. A budget is what we follow to make sure we don't spend more money than we make.



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How do I stick to a budget?

- Budgeting is 80% discipline and 20% plan. Most of your budget will likely stay the same each month with a few variances. Minimizing the variances will help you stay consistent and make it easier to save money. You're more likely to feel confident that you won't need any extra money next month if your expenses are stable.



MIND YOUR MONEY

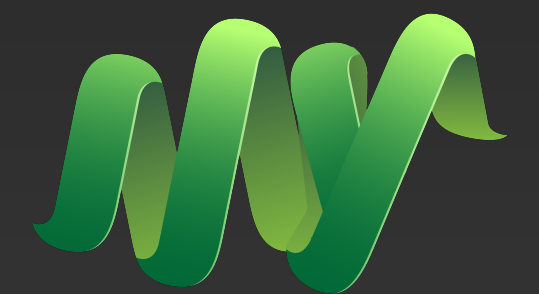
How do I stick to a budget?

- Revisit your budget toward the end of each month to review where you did well and where you still need improvement. Maybe you need to increase a budget and decrease elsewhere - a budget won't work *without work*.
- If you create a budget and never look at it again, you're doing yourself a disservice. It's important to continue to make adjustments and plan ahead for one-time expenses like presents or trips in advance.



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**It's important to always pay
yourself first.**



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How much money should I save?

- You should have 3-6 months' worth of expenses saved at all times. In the event you lose your source of income, you want to be able to know exactly how long you can go before you run out of money. The amount of months is really dependent on your situation.



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How much money should I save?

- For example, if you work in a high demand industry or have multiple sources of income, it may only be necessary to keep 3 months of expenses saved. If you work in a more shaky industry, you may want to keep 6 months' or even a year's worth of expenses saved because things may happen unexpectedly (*like a global pandemic*).



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Next Steps

- 1) Determine how many months' worth of expenses you need to live comfortably in the event you unexpectedly lose your income.
- 2) Calculate how much money you would need to save.
- 3) Create a savings account (if you do not already have one) and set up an automatic transfer to your savings account. An alternative is setting up a separate direct deposit directly into your savings account each pay period.



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