

Financial Wellness Event:

Budgeting that Doesn't Hurt

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Today We'll Cover...

I. Build a Budget You Can Live With

II. Your Tips and Tricks

III. Q&A

Which statement most applies to you and your family?

Money issues are never a stressor.

0%

Money issues are seldom a stressor.

0%

Sometimes money issues cause stress.

0%

Dealing with Money issues often causes stress.

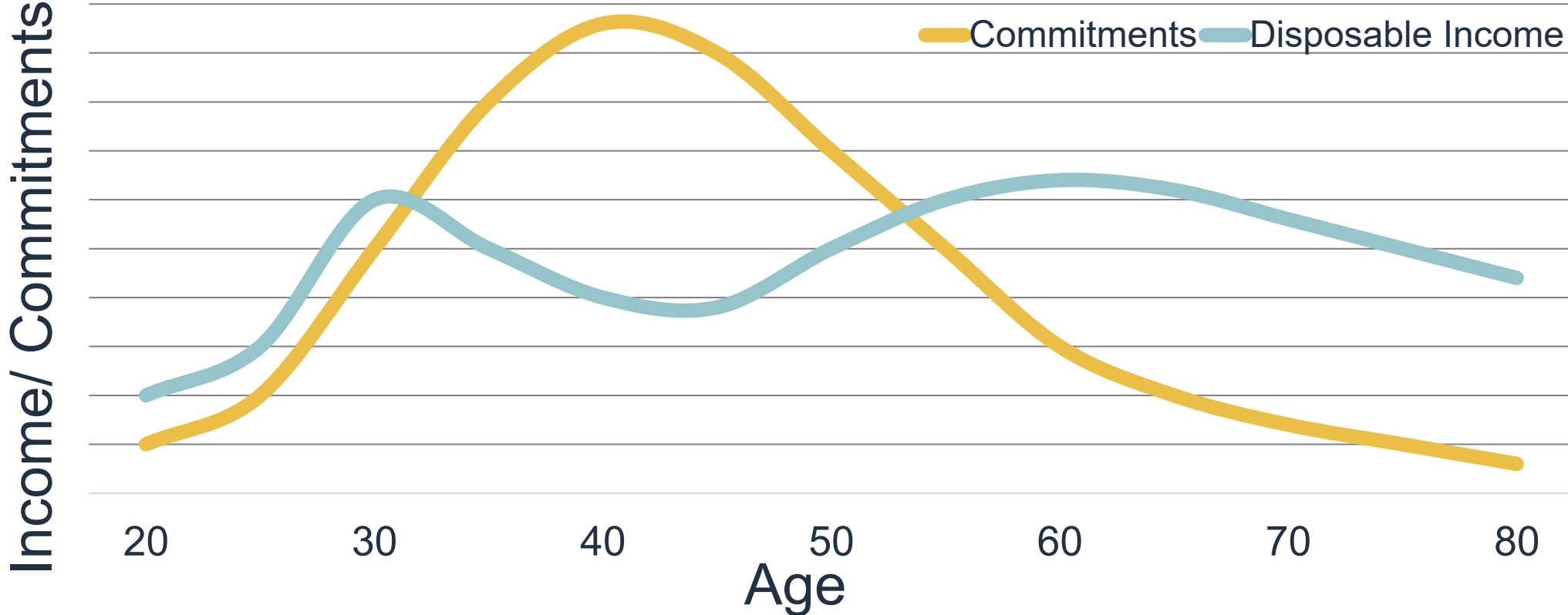
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Dealing with money issues causes a lot of stress.

0%

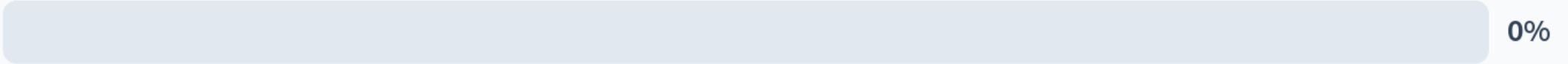
Life Stages

Resources vs. Commitments

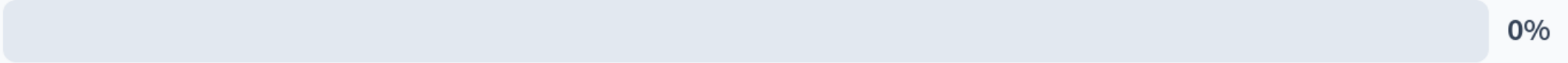


Which of the options below best describes how you budget?

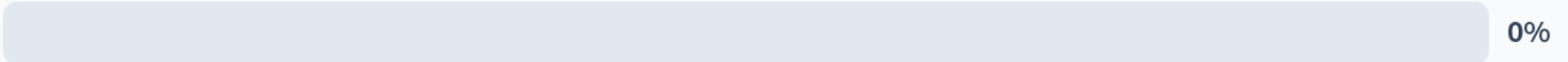
We (I) live by it.



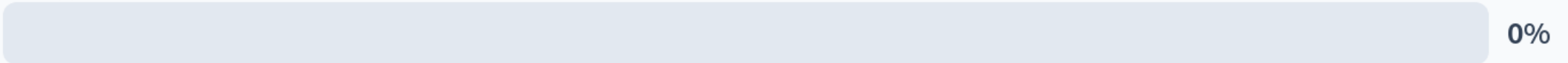
We (I) have a budget but occasionally don't follow it.



We (I) tried budgeting but don't use one now.



We (I) haven't created one.



Plan A

Only 37% of participants live by their budget

Source: Francis Poll from To Your Credit Class, 2019. Responses from 743 plan participants advised by Francis as part of their financial wellness services.



Plan B

59% of U.S. adults live paycheck to paycheck

Source: Charles Schwab,
<https://www.usatoday.com/story/money/2019/08/14/paycheck-to-paycheck-most-americans-struggle-financially-survey-says/39940123/>



Plan O

Learn How to
Use Zero Sum
Budgeting



What is the hardest part of using a budget? (Anonymous)

Nobody has responded yet.

Hang tight! Responses are coming in.

The image features a vertical stack of three light-colored wooden blocks. The top block is labeled with the number '1', the middle block with '2', and the bottom block with '3'. To the left of the bottom block, there is a stack of several copper-colored coins. To the right of the bottom block, there is a stack of several silver-colored coins. The background is a soft, out-of-focus green. The text 'Step 1: Save', 'Step 2: Pay Fixed Expenses', and 'Step 3: Spend the Rest' is overlaid on the right side of the image, corresponding to the numbered blocks.

1

Step 1: Save

2

Step 2: Pay Fixed Expenses

3

Step 3: Spend the Rest

Zero Sum Budget

- Set Goals
- Track Spending
- Build the Budget
- Make it Work



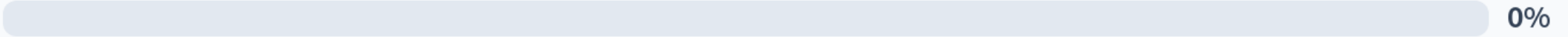
Typical Money Goals

- Establish Emergency Fund
- Save for Retirement
- Conquer Debt
- Buy a Home
- Other

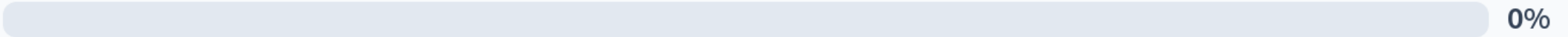


What is the balance in your emergency fund?

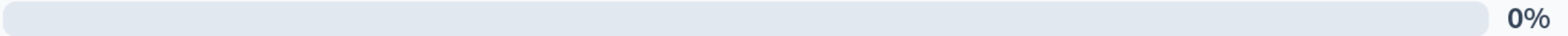
Less than one month of living expenses



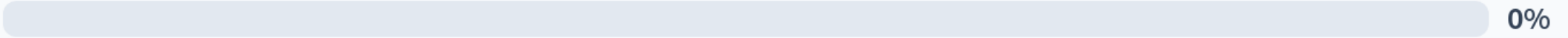
One month of living expenses



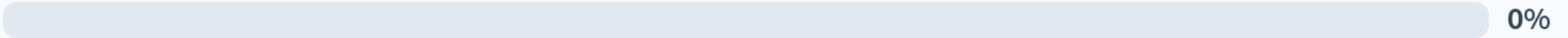
Three months of living expenses



Six months of living expenses



Nine months of living expenses



Rainy Day Fund

- First goal is \$3,000
- Then build to three months of expenses

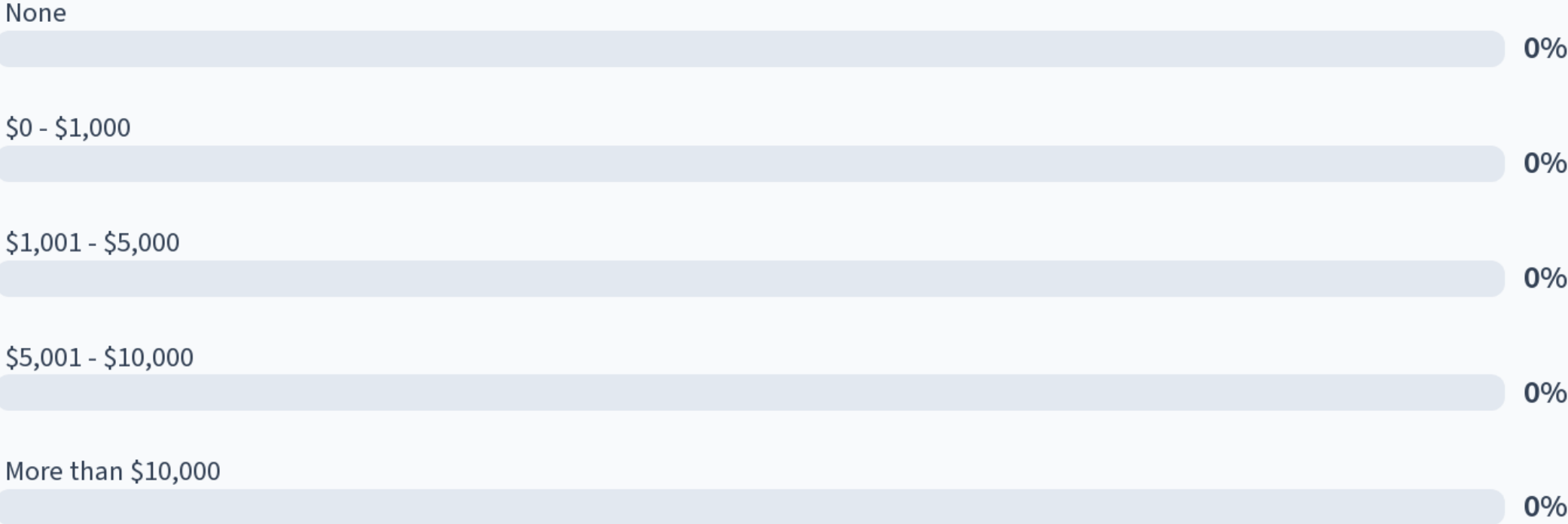


Save For Retirement – Capture Your Match

Start somewhere then turn on auto-increase



How much credit card debt do you have?



Conquer Debt – Debt Snowball



Build Down Payment

A young couple is shown in a close embrace, smiling warmly. The woman, with curly hair, is wearing a red and blue plaid shirt. The man is wearing a blue denim shirt and has a set of keys on his belt. They are in a room filled with cardboard boxes, suggesting they are moving into a new home. The background is softly blurred, focusing attention on the couple.

No more than 28% of monthly gross goes to housing

Zero Sum Budget

- Set Goals
- Track Spending



Track Spending

4
WEEKS

DAILY EXPENSE TRACKER

Chk #1

Date	Description	Category	Method	Amount
9/3	McDonalds Frappuccino	SPEND	CC	\$4.00
9/3	Kwik Trip	SPEND	Debit	\$20.00
9/7	Church	GIVE	CK	\$10.00
9/15	Netflix	SPEND	Debit	\$15.00
9/15	Spectrum	SPEND	Debit	\$80.00

WANTS

NEEDS



Zero Sum Budget

- Set Goals
- Track Spending
- Build the Budget



Divide Expenses Into Three Buckets

Savings

Emergency Fund

Retirement

College saving

Home Purchase

Fixed

Mortgage

Debt payment

Cell phone

Utility

Cable

Variable

Groceries

Entertainment

Gifts

Out to eat

Open Separate Accounts for Each Savings Goal



Open Separate Accounts for Each Savings Goal



Local



Online

* For illustration purposes only. These are examples of banking providers and does not constitute a recommendation for any bank listed.

Auto-Bill Pay for Fixed Expenses

- Calculate monthly total
- Direct deposit to dedicated account
- Set up auto-bill pay to each expense
- This includes debt



Convert Variable Expenses to Fixed



*Pacific Gas and
Electric Company*[®]

Budget Billing Levels Monthly Payments





Payments before Budget Billing

Payments on Budget Billing

Convert Infrequent Costs to Monthly Costs



Pay and Track Variable Expenses Each Month

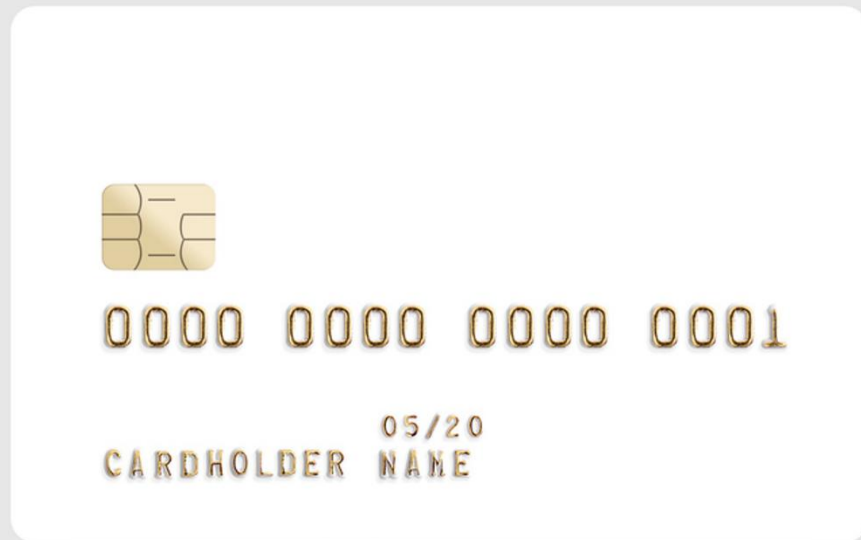
VARIABLE EXPENSES	
Item 	Amount 
GAS	\$38.52
Groceries	\$185.79
PANERA	\$41.23
GIFT FOR AMANDA PARTY	\$18.75
MOVIE	\$35.75
MUSIC DOWNLOAD	\$10.00
SHOPPING	\$75.00
SHOES	\$89.99

Zero Sum Budget

- Set Goals
- Track Spending
- Build the Budget
- **Make it Work**



Cashless Spender? Use Debit Card First





Go home
when
you are
out of
money

Never Do Payday Loans!



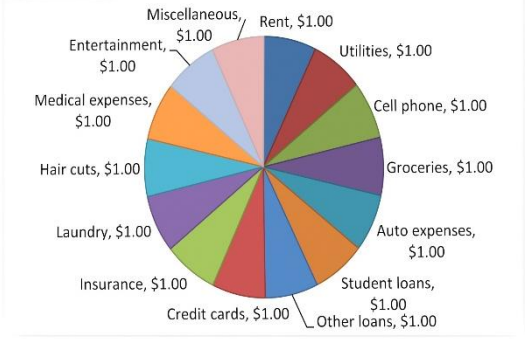
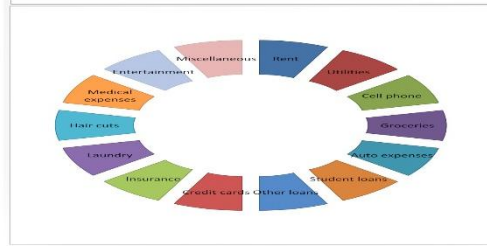
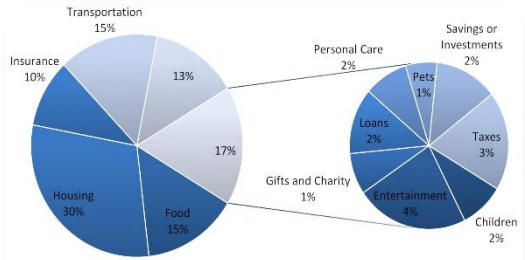
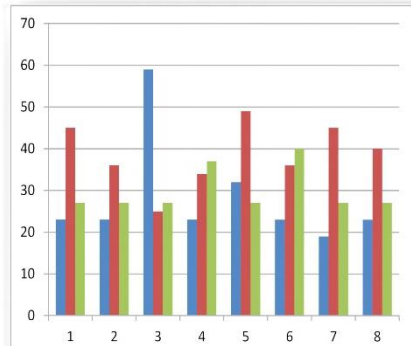
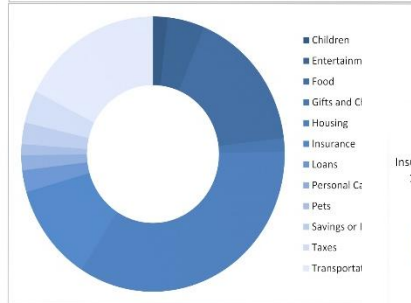
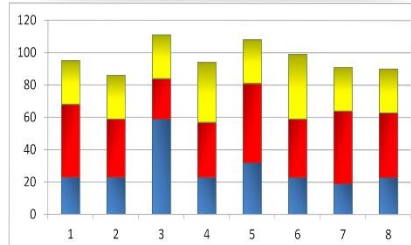
Split Spending Money If Needed



Tech Might Work Great

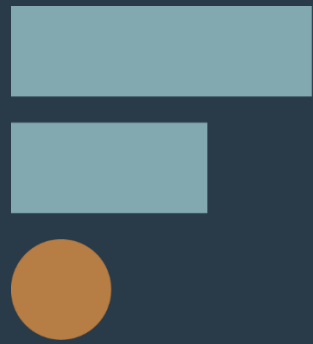


Your Bank May Help



Warning!

The first month you do this, you will fail!



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Questions?

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