

Intro to Budgeting

A plan for the future



What are your goals?

- Why set goals?
- List your goals
- Goal ranges
 - Short-term goals (1–4 weeks)
 - Medium-term goals (2–12 months)
 - Long-term goals (1 year or longer)
- Prioritize your goals
 - What can you do to work toward your goals?
 - What resources do you need to achieve your goals?
 - Personal (abilities, skills, time, education, etc.)
 - External (money, car, tools, etc.)

Where does your money come from?

- Current sources of income
 - Job(s)
 - Family members/Parents
 - Alimony/child support
 - Aid/assistance
 - Investments
- How it feels
 - To be financially dependent

Where does your money go?

- Keep track of everything spent in one month:
 - What did you buy?
 - Can you see a pattern in your spending habits?
 - What did you need?
 - What did you want?
- How did you decide what to spend and where to spend it?
 - How is your money currently spent (e.g., clothing, food, CDs, automobile, etc.)
 - Areas that might be added to this list in the near future
 - How were decisions made?
 - What might make a habitual Spender turn into a Saver? What could turn a Saver into a Spender?

Why Budget?

- What do you think of when you hear the word “budget”?
- Reasons to budget:
 - To determine how much money you have to spend
 - To decide how you want to spend your money
 - To determine how to spend money in the future
 - To learn to live on less than available income
 - To stay out of financial trouble

The Budgeting Process

- What it is:
 - A plan for spending and saving
- What it takes:
 - Choosing a budgeting period
 - Estimating expenses and income
 - Balancing expenses and income

What a budget does for you

- Puts you in control
 - Helps you create a visual spending picture
 - Helps you prevent impulse spending
 - Helps you decide what you can and cannot afford
 - Enables you to keep track of how you spend your money
 - Helps you create a savings plan
 - Helps you decide how you can protect yourself against the financial consequences of unforeseen events

Setting up and maintaining a budget

- Estimate your income
- Estimate your expenses, to include:
 - Fixed regular monthly expenses
 - Fixed irregular monthly expenses
 - Flexible monthly expenses
 - “Mad money”
- Estimate your future expenses
 - Begin by keeping a record of everything you spend
 - What are your financial goals and your plans for obtaining those goals?

Setting up and maintaining a budget (cont)

- Cope with change
 - Plan for new situations
 - Plan for changing conditions that increase or decrease your expenses
- Keep your personal and financial goals in mind
 - Set money aside to help meet financial goals
- Balance your budget
 - Each month, compare your income to your expenses
 - Continue reworking your budget until your income is greater than your expenses
 - Discuss different budget options available
- Practice setting up a personal budget

Let's build a budget

- Review the budget worksheet
 - We'll fill in the categories of monthly expenses
 - What is the estimated monthly cost?
- What is your monthly income?
- After deducting your expenses from your income are you in the positive?
 - Do you have 'room for the unexpected'?
 - Expendable income
 - Are you building savings?

Tips for maintaining a budget

- Become a good consumer
 - Learn how to get the most for your money
- Exercise willpower and self-control
 - Try to not indulge in unnecessary spending
- Develop a good record-keeping system
 - Learn how to maintain a workable budget
 - Evaluate your budget regularly

Q & A

Thank You!



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