

WELLNESS CONNECTION

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GOOD DECISIONS - Creating a Balanced Budget

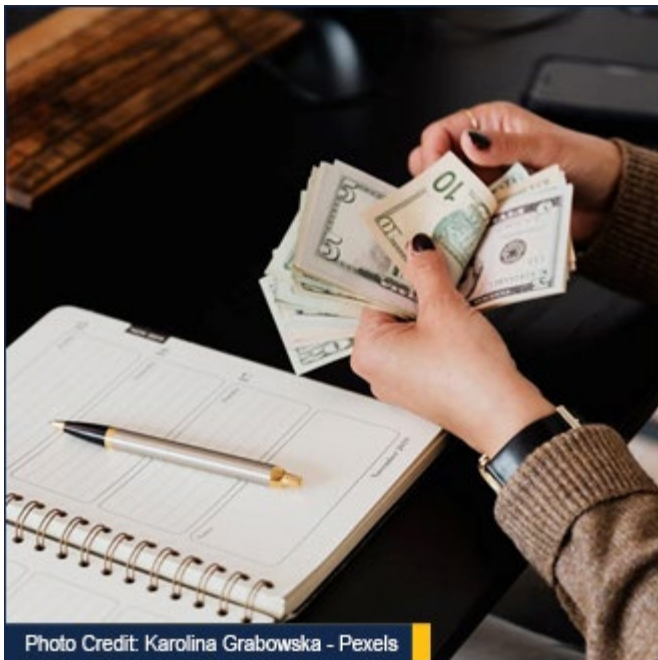


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Bouncing back financially after the holiday season can be overwhelming if you're not sure where to start. Creating a budget is a great way to understand what available money you have, where your money is being spent and how you can allocate your money for future expenses (e.g., bills, savings, investments, holiday shopping). Getting a jump start on saving for the next holiday season can greatly reduce the stress and dread surrounding holiday spending.

Here are some tips and tricks for managing your money throughout the year:

Make a Budget. Consumer.gov created a [worksheet](#) to help get you started. You can start by adding your monthly income and then listing all of your monthly expenses. Making these lists will help you acknowledge where your money is being spent. This is a great way to categorize and prioritize the money you're spending. Breaking down larger categories into more specific subcategories may help you identify where to modify your spending behaviors.

Budgeting Systems. It's important to choose a budgeting system that's right for you and your family. Every person or family has differing financial goals, needs, and habits. These are some common methods of budgeting that may point you in the right direction:

- **50/30/20 Budget** – This is a great budgeting system for beginners. This method helps you to simply divide your monthly income into needs, wants, and savings.
- **The Envelope System** – This method is an excellent way to curb excess spending using a cash-based approach. The Envelope System allows you to physically portion out your monthly income into categorized envelopes and you put the amount of money you plan to spend on those things into the envelopes.
- **Pay Yourself First** – This is a reverse budgeting strategy where you build your spending plan around savings goals, such as retirement, instead of focusing on fixed and variable expenses.

Budgeting Apps There are many financial services that are out there and available to you! Downloading a free or low-cost budgeting app to your mobile device can help you keep track of your spending regardless of what method you've decided to use. Here are a few examples of budgeting apps that could work for you:

- **Mint** – Mint offers an array of features to help you track and manage your money. The app automatically categorizes transactions from linked credit and debit cards and tracks them against a budget you can customize to meet your needs.
- **PocketGuard** – This app is great to help you prevent overspending. It tracks how much you're earning, follows what you're spending on recurring bills and everyday expenses, and tracks deposits into your savings account. PocketGuard can even help you find better deals on monthly service costs!
- **You Need a Budget (YNAB)** – Rather than relying on traditional budgeting categories, YNAB helps you build your budget based on your income, giving every dollar a job in your budget. These jobs include everything from living expenses to debt payments, savings, or investments. Leaving no dollar unaccounted for forces you to think about every dollar you acquire and spend.

Other Options Your financial institution may offer additional services to help you budget your money. Check with your bank or credit union to see what services are available.

- **Specialty Saving Accounts** – Check with your bank to see what programs they have to help you save for special events and holidays. Many banks will help you set up a fund specifically for holiday spending or paying for college.
- **Budgeting or Bill Pay Programs** – Some financial institutions have programs to help you get on track with creating a budget and paying recurring expenses on time. They

can provide you with resources they've developed or send a friendly reminder for an upcoming due date.

- **Use Employee Resources** – The University of Illinois System has many budgeting and financial planning resources to offer its employees:
 - [Money Mentor](#): Assist individuals with personal finance strategies, including budgeting, establishing financial goals, building savings, managing credit, paying down debt, and organizing finances.
 - [Guide to Choosing a Financial Professional](#): Assistance in making an informed decision about choosing a financial professional and understanding how to inquire about their qualifications and expertise.
 - [Retirement Planning](#): Regardless of where you are in your career, having a plan for retirement is important. There are a variety of resources in place to help you plan.

Hopefully these tips and resources help you to kick off the New Year with a financially sound mindset! As with all new things, budgeting takes practice and persistence. Remember to give yourself grace as you begin your budgeting journey. Your success will come with time!

