



WELLNESS TIPS

Practical Budgeting

TIPS FOR SPRING WELLNESS

Reasons to Build Your Budget

It supports your long term goals: A budget will help you determine your long term goals, and how to work toward them. If you are spending money aimlessly, a budget will help you determine what is necessary to achieve your objective. The home down payment, sports car, or trip to Everest you've been dreaming of will finally have an execution date!

Wont spend money you don't have: Many consumers spend money they do not have, and we have credit cards to thank! A budget allows you to be in control of your earnings, spending, and savings. Knowing to not eat out today, could mean a lunch in Europe next year!

Will help you in retirement: When you envision your dream retirement, what does it look like? Saving is critical to securing a comfortable retirement. Sacrifice today will be worth it later on!

Be prepared for emergencies: Life can be full of surprises, and not all are affordable. Emergencies can arise as a result of illness, property damage, divorce, death, disaster, job loss, and other unpredictable scenarios. You should budget for at least 3-6 months of living expenses.

Financial independence and freedom: A budget will help you move towards your life goals, and provide financial security!

How to Build Your Budget

Step 1 Calculate your net income Take home pay= Total wages minus taxes and deductions. If you are a freelancer, contractor or self employed, keep detailed notes to manage you income.

Step 2 Track your spending Categorize expenses to determine where you spend the most. Calculate fixed expenses like rent, mortgage payments, utilities, and car payments. Now list your variable expenses: Groceries, gas, and entertainment. These are your opportunity to cut back!

Step 3 Set realistic goals List your short- and long-term financial goals. Short-term goals include paying off credit card debt, building an emergency fund, or paying down student loans. Long-term goals can be saving for retirement, a child's education, or paying off your mortgage.

Step 4 Make a plan Review what you actually spend, against what you would like to spend. Use your fixed and variable expenses to forecast spending in coming months. Is this in line with your net income, budget, and goals? Can you break it down further into things you want vs. need?

Step 5 Adjust your spending to stay on budget Now it's time to adjust your spending to stay on budget. Review and update your budget regularly to stay moving towards your goals!

It's easier than ever to spend more than intended in a world of e transfers, tap payments, and delivery services! Building a budget for yourself will help you manage your money, and hold you accountable for your spending until you reach your financial goals!