



## BUDGETING

### Take Control of Your Paycheck

*Financial problems are one of the top causes of stress for Americans. These problems can lead to sleepless nights, relationship problems, and loss of self confidence. Take control of your life with a budget. A budget, or spending plan, is a tool used to look at your income and plan how you will spend your money. It will serve as a map for you to reach your goals.*

#### **A successful budget:**

- Is written down and evaluated periodically
- Is goal based—including planning for future goals like buying a car or saving for education
- Takes into consideration past, present, and future expenses and goals
- Works in averages
- Allows us to measure our success by our progress

**To create your budget, work in averages.** Figure out all of your monthly expenses that you know you will have—rent or mortgage, bills, insurance. Then look at your unexpected expenses over the past few months—car repairs, doctor’s visits. That will give you an idea of how much you need to save every month to comfortably cover all of your expenses.

**Remember that savings is the key.** Figuring average expenses will be very frustrating because you’ll find yourself saying that there is “no way I can set that amount aside! I don’t have it”. But try to figure what amount you can start to regularly set aside. Even a small amount will help you to cover unexpected expenses. And you’ll recover faster than if you didn’t have any money set aside. Saving money can provide financial stability, which can lead to increased confidence, peace of mind, and stronger relationships.

#### **Cut expenses.**

- **Shower quickly and save.** A 15-minute shower a day costs about \$310 a year, even with a low-flow shower head. Cutting the time by a third will save about \$100 annually.
- **Snag great stuff at secondhand shops.** Donations are often local, so head for thrift stores in wealthier neighborhoods. Find stores at [thethriftshopper.com](http://thethriftshopper.com) or [thrift-shop-directory.com](http://thrift-shop-directory.com). Also, shop early in the week—many donations come in over the weekend. And watch for hidden bargains. Thrift stores often set prices by category, say, \$3 per shirt no matter what the brand.
- **Thinking of going out for some fun?** Instead of going to the usual places that cost money, check out one of the free things to do in Austin at [www.freefuninaustin.com](http://www.freefuninaustin.com).

Financial Fitness Greater Austin (FFGA) is hosting *Financial Fitness Week* April 24 - May 1, 2011.

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# Financial Fitness Greater Austin

## 2011



When cutting expenses, it's not necessary to completely deprive yourself of the things you love. The key is to find alternatives to the pricier items on your list of wants. Here are some ways to cut back on expenses one step at a time:

If you...	Consider...	Or...
Subscribe to cable TV movie channels	Convert to basic cable	Cancel cable and borrow movies and books from the public library
Eat out lunch each workday	Bring a lunch from home every other day	Bring lunch from home every day
Dine out with friends	Invite friends over for dinner	Host a potluck dinner
See movies in the evening	Taking in a matinee	Catching second-run shows at a bargain theater
Hang out at the mall for entertainment (and spend)	Read a book	Volunteer
Cruise the Internet with high-speed access	Use dial-up access	Use free access at library
Own two cars for your family's transportation	One-car family + public transportation	Use public transportation or bike
Buy a new outfit each month	Buy a new outfit every other month	Shop at garage sales and second-hand shops
Buy two cups of coffee/soda each day	Buy one cup of coffee/soda each day	Bring a thermos of gourmet coffee or cans of soda from home
Buy expensive birthday and holiday gifts	Plan ahead and buy gifts on sale or off-season	Make gifts or give gifts of your time
Smoke two packs of cigarettes a day	Smoke one pack a day	Quit
Drive a luxury car	Drive a simple sedan	Ride a bike
Attend a concert each month	Go once a quarter	Buy the CD

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Last, but not least, the easiest way to make savings a habit is by paying yourself first. **Before you pay your bills, before you buy groceries, before you do anything else, set aside a portion of your income to save.** The first bill you pay each month should be to yourself. Make your goals a priority, not an afterthought.

While saving may seem impossible, consider the alternative. The next time your car breaks down, you have to go to the hospital, or another unexpected expense occurs, how will you pay?

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