

Gaining Control of Your Budget

Amanda Clasen- Community Vitality Agent
August 2024

K-STATE
Research and Extension

Southwind District



Budgeting is a critical skill that builds healthy financial behaviors and habits. Establishing financial goals that are important to you and writing them down sparks a commitment to achieving those goals. A budget can help you decide what you must spend money on each month and also if you can spend less money on some items and more on other. A budget shows you how much money you make as well as how much and where you spend your money. While budgeting can be intimidating, it's possible to have confidence in your budget, even in uncertain times.

Knowing where your money goes each month and writing it down has been found to improve financial confidence. A bill calendar is a tool that can provide a monthly visual reminder of when bills are due, how much you owe, and to whom. Taking it one step further, you can add your sources of income to the calendar to compare when amounts are due and when you receive income to cover those expenses. This is a similar process to a cash flow budget. If you have more bills than income in a given week, consider asking to change the due dates of those bills to better align with your income. You can create a bill calendar multiple ways, including electronically or even with a pocket calendar that can easily be carried with you. You can find an example of a bill calendar at <https://bit.ly/3LhdrZy>.

Another suggestion on gaining control of your monthly budget is to create spending categories and only spending on items that matter the most help to identify your spending habits. Make a list of your wants/needs/ and personal values. You can still save for and spend money on things that align with personal values but by following your budget based on your values, you are more likely to feel happier and more satisfied with your purchase decisions.

Make the most of your "monthlies" that recurred each month. Make a list of each of your monthly subscriptions that are automatically withdrawn each month and decide if there is anything you are willing to put on hold. Tips: Search your email inbox for recurring receipts, check for recurring payments and auto draft in your bank statements, and remember to look for quarterly and annual charges- not just monthly!

Another popular approach to budgeting is the 50/30/20 Rule. 50% of your monthly income is allotted to your essential needs, such as housing, utilities, groceries, transportation, insurance and minimum loan payments. 30% of your income is allotted to your wants, such as dining out, entertainment, hobbies, etc. The remaining 20% is set back for savings and personal investments. A budget ensures that you have an emergency fund to fall back on and allows you to prevent relying on accruing more credit card debt in hard times.

Discover how quickly you can become debt free, and how much you can save in interest costs by following a debt reduction plan. PowerPay is an online platform that will give you the tools to develop a personalized, self-directed debt elimination plan. Utah State University Extension is pleased to provide this debt management tool without any cost to consumers worldwide. Create your personalized debt reduction plan online at <https://extension.usu.edu/powerpay/>.

For More information, contact Community Vitality Agent, Amanda Clasen at amclasen@ksu.edu or at 620-244-3826.