



Living Your Best Financial Life:

Budgeting – Start the Year Off Right



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Feedback

- “Quick and easy budget tips”
- “How to recover from long financial hardships”
- “Not living paycheck to paycheck. Ways to save money”
- “Saving for the long haul”
- “Budgeting, paying off debt, saving for a home, saving for a rainy day”

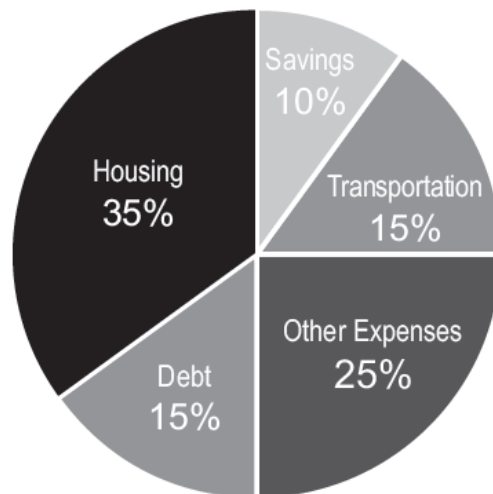


Outline

- Your Budgeting Pie
- SMART Goals
- Planning Your Yearly Tune-Up
- PYF
- Spending Diet



The Budgeting Pie



Housing

Spend no more than 35% of net income on housing. Depending on whether you rent or own, that can include: mortgage/rent, utilities, insurance, taxes, and home maintenance.

Savings

Save at least 10% of income throughout your working life. Make sure you have 3–6 months income in an emergency fund before you start saving for other goals.

Transportation

Spend no more than 15% of net income on transportation. That includes: car payment, auto insurance, tag or license, maintenance, gasoline, and parking.

Debt

Spend no more than 15% of net income on all other consumer debt: student loans, retail installment contracts, credit cards, personal loans, tax debts, and medical debts.

Other

Spend no more than 25% of net income on all other expenses: food, clothing, entertainment, childcare, medical expenses, tithing/charity, and vacations.



Starbucks Savings Plan

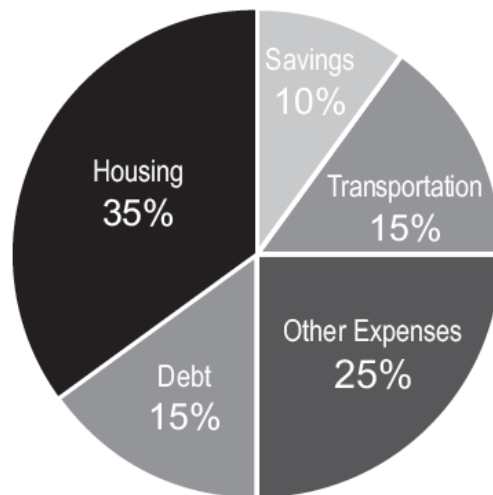
1 (\$4) coffee a week = \$208 a year

5 (\$4) coffee's a week = \$1,040 a year

- Mani/Pedi
- Concerts
- Smoking/Drinking
- Dining Out
- Fantasy Football



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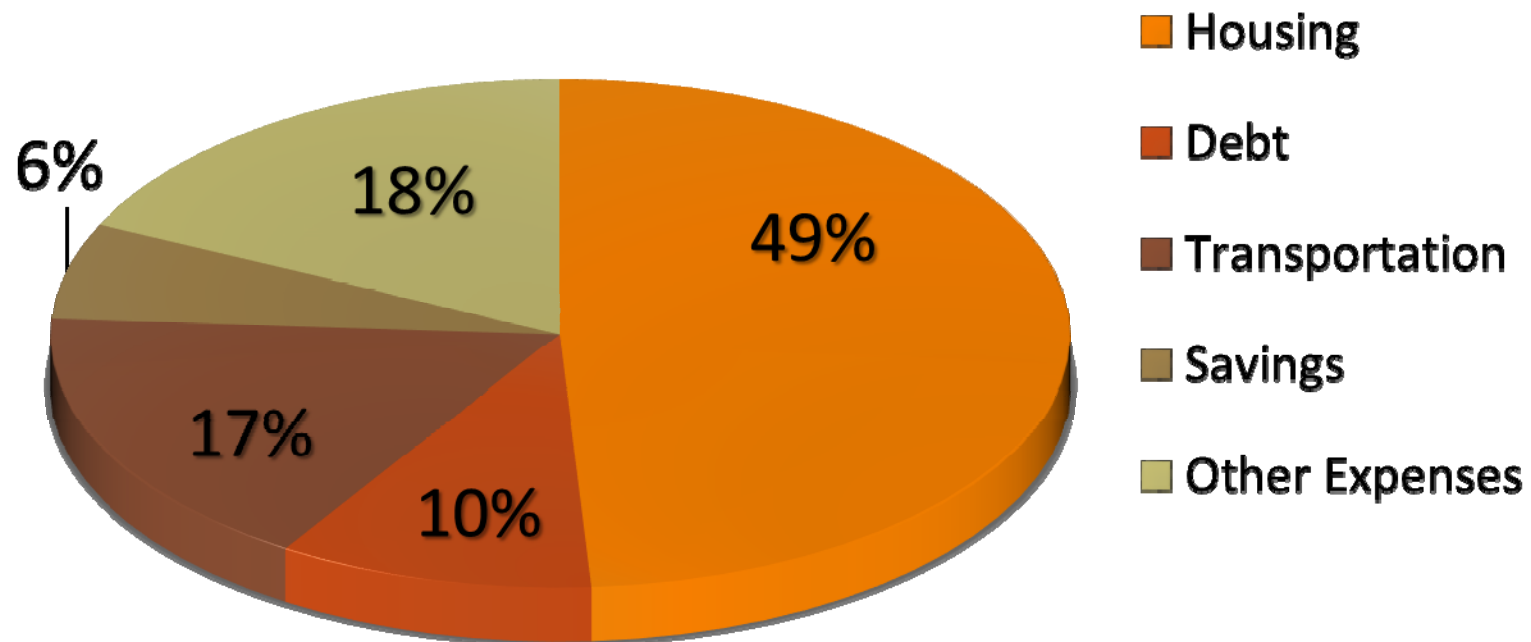
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Average Budgeting Pie



Establishing Objectives

What are your goals?

- SMART Goals
 - Specific
 - Measurable
 - Attainable
 - Realistic
 - Time-oriented



What do you want to save for?

- Short-term goals: Under a year
- Mid-term goals: 1-5 years
- Long-term goals: Over 5 years



Yearly Tune-Up

Create a list of all your income and expenses

Can you change your income?

- Second job/UBER/Skills
- Garage Sale/Craigslist
- Is your money working hard for you?

Decide which expenses are:

- Necessary Expenses
 - Mortgage/Rent, car payment, alimony
 - Utilities, Credit Card payments, Groceries
- Optional Expenses
 - Eating Out, Movies, Vacations (Starbucks, Mani/Pedi, Sports Tickets)



Track Spending

Be honest

Carry a small notebook and record the details of each purchase you make

Keep receipts from each of your purchases and tally them up daily

Use a debit card for all or most of your shopping so you have a record

Use expense-tracking software or tracking sheet ([mint.com](https://www.mint.com))



Fixed (?) Expenses

Mortgage/Rent

- Roommate or renting a room

Utilities

- Television (Netflix, Hulu, HBO Go, etc.)
- Home Phone
- Internet

Car Payments

- Refinance
 - Two ways – which is best for you?

Credit Cards

- Tier them



Take a Second Look (At EVERYTHING!)

- Food
- Cable
- Student loan debt
- Taxes
- Phone plans
- Gym
- Shopping as entertainment
- Gas
- Insurance
- Utilities
- Habitual items



Reduce & Redistribute

Number expenses in order of importance

What do you need?

What can you reduce?

Eliminate 1 or 2 expenses instead of all

Evaluate how much is spent on gifts

- Alternative gifts (service, crafts, make dinner)

Use coupons (in an app)

Shop discounts

MOGL/Axxess Cards



Spending Diet

Millionaires don't look like millionaires

Millionaires are aware of each dollar they spend

- Do nothing week
- Buy nothing month
- Think before you spend
- **Plan ahead of time**
- Short term suffering – Long term goals



Pay Yourself First

Savings First, then Expenses

- As soon as your paycheck is deposited, transfer to a savings account

It does not matter how much
you save only that you save

Emergency - 3 to 6 months of monthly income

Goals – Vacation, new couch, new car, first home



Action Plan

Stop stressing

Be informed

Create a list of all your income and expense

TRACK your spending for a month

Make realistic adjustments

Create and beginning saving for an emergency (PYF)

Cut a “big stuff”

Create a “working” budget and review it monthly

Be patient



Communicate

Be honest with yourself

Reevaluate each month see what is working and what is not working

Be open with your partner about expenses

Plan for “fun” money, date night, or allowance

Find someone to help you stay accountable

Forgive yourself and get back on track





Resources

BALANCE – 1-888-456-2227

- Free “financial fitness”/credit counseling service for members of VCCU

Budget Software

- Quicken
- Mint.com

Ventura County Credit Union

- 805-477-4000
- 7 convenient locations open 6 days a week
 - Ventura, Oxnard, Port Hueneme, Camarillo, Thousand Oaks, Moorpark, Simi Valley



Investment Services

Cash equivalents

Bonds

Stocks

More

VCCU Financial Advisors:

- David Kanongataa (805) 477-4032
Ventura, Port Hueneme, Oxnard
- Gina O'Callaghan (805) 477-5532
Camarillo, Thousand Oaks, Moorpark, Simi Valley



Questions?



Thank you!

Upcoming Presentation:

1. March 9th – Estate Planning
2. May 11th – ID Theft Avoiding and Fixing
3. July 18 – Getting your Kids Off on the Right Financial Foot
4. September 14th – Building and Rebuilding Your Credit
5. November 7th – First-Time Home Buying

Comment Card?

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