



STEPS

TOWARD FINANCIAL FITNESS

Budgeting Your Money

A budget is a written plan that includes the amount of money you will take in during a certain period—a month—compared to the amount of money you will spend during that same period.

Setting up a budget takes some initial effort. But what you get in return is the ability to:

- Differentiate between fixed and variable expenses
- Analyze your debt responsibility
- Reallocate your spending to better suit your circumstances
- Set limits to curb overspending
- Focus on long-term goals over short-term impulses
- Put money away for emergencies

Step 1: How to Create a Budget

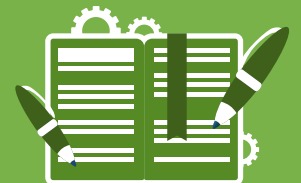
Start by writing down all your expenses. For example:

- Bills that are the same every month like rent
- Food and gas
- Contributions to savings accounts
- Bills that vary from month to month like utilities
- Entertainment
- Unplanned expenses like car repairs
- Bills you pay once or twice a year like car insurance
- Clothes
- Credit card bills
- School supplies

Then write down the amount of money you bring in. This includes your paycheck and any other income sources like child support.

Lastly, subtract your expenses from your income. If the result is a negative number, you're spending more money than you take in. Go back to your expense list and see what you can trim.

Sample Budget Worksheet



Click [here](#) to download the budget worksheet.



Step 2: Three Ways to Save Money

Automate it

Set up automatic transfers and you likely won't miss the money as it's whisked from your paycheck to your retirement fund (for example) or from your checking account to savings. Set up savings accounts at a separate institution from the one that has your checking account, so you're not seeing your savings balance every time you log on. Sign up for paperless statements for retirement accounts but don't check them more than once or twice a year. Don't ignore these accounts entirely—set up text or email alerts for any withdrawals or unusual activity so you can catch fraud.

Name it

Labeling an account with its purpose can be a powerful deterrent to tapping the money for other uses. Online banks allow you to set up multiple subaccounts at no extra cost. Each one can be given a name: vacation, property taxes, new car fund, holidays and so on. It's a lot easier to dip into a nameless savings account than one that says "Dream Trip." The names make you think about what you're really sacrificing when you spend the money thoughtlessly. You may not be able to rename your employer retirement fund, but you often can input nicknames for IRAs and other brokerage accounts. How about "Wish Fund?"

Divert it

Every time you cancel a subscription, disconnect a service or pay off a debt, divert that monthly payment into savings. Another diversion is to save your raise. Got a 3% raise? Boost your 401(k) or IRA contribution by at least 2%. You'll get a little extra in your paycheck while putting most of your raise to work for your future.

Assess Your Net Worth

How much are you really worth? This [worksheet](#) will help you figure it out.

Upcoming Events

February 7 is National Wear Red Day.

Join your fellow employees in wearing red to promote heart health awareness. Be sure to share your photos to the *MyHealth Connections* Facebook page. [Click here](#) to add this event to your calendar.