



Kelley Manning: Hello. And welcome to the Women Going Beyond Wealth podcast, episode #3. I am Kelley Manning, financial advisor with Beyond Wealth Advisors and I am so glad you are with me today! Our topic today is Bold Budgeting.

Have you ever found yourself in a situation where there is more month than money? When unexpected expenses hit you such as a car repair or plumbing charges from burst water pipes (how many of you had frozen pipes during our recent February Freeze?) Scenarios like these cause stress which affect every other aspect of your life.

We talked on our last podcast about the need to save for an emergency fund and your retirement – and how creating a purpose behind those efforts made saving a little easier. Another way to make it easier – and to reduce your stress - is to create and follow a budget.

Do you follow a budget? If not, you are not alone! According to research only about 1/3 of Americans maintain a household budget, and 78% of U.S. workers are living paycheck to paycheck. Without a budget, living paycheck to paycheck is a likely outcome. Why? As Benjamin Franklin said, "If you fail to plan, you are planning to fail."

The good news is it is never too late to address this condition. Are you ready to be intentional with your resources and know where your money is going? Creating a budget is the easy part, following the budget is a little more difficult. I know that I keep harping on it but having a vision or a goal for your budget makes it easier. Anthony O'Neal has a quote that is so appropriate, "Being broke is not a salary problem, it is a behavior problem. If you want to change your bank account, you have to change your habits."

Knowledge is power. Having the knowledge of your financial situation – as good or as bleak as it may be - empowers you to change your habits. It helps give you your 'why'.

So, grab a clean sheet of paper and draw a line down the middle. On the left side list your income sources. This will include salary, tips, child support, rental income, investment income, pension or any other source of income that you regularly receive.

On the right side of the page list your expenses. This side is the overwhelming side because there are so many sources of money going out than coming in. But, don't let it stop you - embrace the discomfort and create an honest list of expenses. Be sure to include your HOUSING EXPENSES, which include mortgage, rent, insurance, utilities, Your CAR and TRANSPORTATION which includes – your car payment, insurance, gas

and maintenance, public transportation costs, Your HEALTHCARE, like medical bills, health insurance premiums, prescriptions, FOOD & ENTERTAINMENT - groceries (and trust me, I know this category well. I have 2 teenage boys that eat a lot!), but also include take-out and eating out, your BEAUTY items and CLOTHING and do not forget the contributions to your retirement or your emergency or savings accounts. The best places to find these numbers are your bank and credit card statements.

Now the moment of truth – you add up each column and compare.

If your expenses are less than your income, CONGRATULATIONS. You're in the minority of people who live below your income. Keep doing what you are doing!

If your expenses are greater than your income, it's not the end of the world and it isn't likely a surprise to you. But it is time to take a serious look at eliminating non-essential expenses. The goal is to create a realistic budget that aligns your expenses with your income, with some money to spare!

Learning how to live below your means and rid your budget of anything that is non-essential is a challenge, but it is worth it! What is non-essential? Take a deep breath....because it includes your Netflix subscription (yes, you are going to have to forgo your binge watching), nail salons and your daily coffee stops. Also, make dining out a treat rather than a habit – start eating many of your meals at home. Lastly, you need to eliminate your credit card debt - and stop taking on new debt.

Let's spend a minute talking about the dangers of carrying credit card debt. The average annual credit card interest rate is 15% and the typical American has a revolving balance of \$6,000 on their credit cards – which calculates to \$900 in interest payments per year. You can eliminate the interest fees by paying your credit card bill every single month, leaving a \$0 balance. If you have credit card debt – follow these steps (1) consolidate all the credit card debt to 1 card; (2) make sure you have the lowest interest rate possible and (3) have a budget item that sends extra funds every month to pay off the card as quickly as possible. Proverbs 22:6 tell us "The rich rule over the poor, and the borrower is servant to the lender." It's time for you to be the ruler of your finances and budget!

Also, explore ways to put extra cash in your pocket, even if it's a temporary side hustle. Focus on what you are good at. Are you crafty? Open an etsy store. Is baking your thing? Maybe try to sell your goodies. Could you drive for Door Dash, Uber or Lyft? Or walk dogs or run errands? How about having a garage sale to purge your house of unwanted items? Anything that you can do to add to the left side or the income side of your budget, the better!

In the last podcast, we discuss savings – specifically an emergency fund and for retirement. If you don't have an emergency fund, start a \$1000 emergency fund. It may not seem like much, but you will be surprised how it will create a buffer between

you and unexpected expenses that crop up, plus it gives you peace of mind which will help you along your financial journey. Even if you can only save \$10 per month, it is a good place to start. Then, over time, strive to set aside an emergency fund of 3 months of income.

There are a multitude of budgeting websites and apps that can help keep you on track. Find the one that you like and are willing to use. Dave Ramsey's Every Dollar is a popular site that provides steps to stick to a budget. Mint.com or simpli.com are good as well.

As you incorporate a budget into your daily practice, don't be tempted to make impulsive purchases. This is the hardest part...to put your credit card away and walk past the shoe sale and say no to the dress. Do you want to set a reward for following your budget? Add that 'reward' to you budget and save for it – a new pair of shoes, a night out, or a bigger goal like a weekend trip with your girlfriends.

Speaking of girlfriends, surround yourself with people that understand and are willing to help you achieve your budgetary goals. I was recently reading a daily devotion Nicky Gumbel that had a perfect summation: "Enthusiasm is infectious. Don't waste your time hanging around people who try to belittle your dreams. Associate with people who inspire and challenge you, lift you higher and make you better."

Taking control of your money is a great way to live with intention, with more control and with more knowledge. Today is the day to start making those bold decisions.

Thank you for spending time with me today. If you enjoyed this podcast, tell your friends! Also, let me know what you liked or didn't like about this episode as well as ideas you might have for future podcasts. I can be reached at 816.246.8450, at Kelley.manning@beyondwealthadvisors.com and don't forget the second "e" in Kelley, and you can follow me on Facebook and LinkedIn.

Narrator: Thank you for joining us. Have ideas to pass along for a future podcast or feedback to share? Write us at pam. Kearney@beyondwealthadvisors.com. Securities offered through Raymond James Financial Services, Inc. member FINRA/SIPC Investment Advisory Services are offered through Raymond James Financial Services Advisors, Inc. Beyond Wealth Advisors, Inc. is located at 600 SW Jefferson, Suite 208 in Lee's Summit Mo., phone number (816) 246- 8450. Beyond Wealth Advisors, Inc. is not a registered broker/dealer and is independent of Raymond James Financial Services. Any opinions are those of Beyond Wealth Advisors, Inc. and not necessarily those of RJFS or Raymond James. There is no assurance any of the trends mentioned will continue or forecasts will occur. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

Sources:

- https://www.mfs.com/content/dam/mfs-enterprise/mfscom/heritageplanning/infosheets/hp_fbbudg_flye.pdf
- <https://www.forbes.com/sites/financialfinesse/2018/06/17/challenging-the-myths-about-financial-wellness/?sh=6f3b9eae26fb>
- <https://moneycheck.com/living-below-your-means/>
- <https://www.daveramsey.com/blog/stop-living-paycheck-to-paycheck>
- <https://investedwallet.com/personal-finance-statistics/>
- [Stretched Thin: Majority of Americans Live Paycheck to Paycheck | The Report | US News](#)