

# BUDGETING

## General Information

Many financial planning experts advise that the first step to creating a personal budget is to keep a “spending diary” for a week or month to carefully track “where” your money is going. Relying on a weekly or monthly budget will allow you to gain control of your spending, and hopefully prepare you to save a portion of your assets for future expenses. There are many free budgeting tools available on the Internet. Here are a few examples:

## Financial Education: General Resources

- [MyMoney.gov](http://MyMoney.gov): The official U.S. Government website for personal finance.
- [Money Smart Kansas City](#): Website with many financial education resources available.
- [Finra Investor Education Foundation](#): Includes tools and resources to help you start saving and planning, including a link to an Action Plan to track your spending.
- [Credit Karma](#): A free online personal finance tool, with mobile apps.
- [Money Management International](#): Articles and other financial education resources.
- [Consumer Financial Protection Bureau](#): A U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.
- [Consumer Federation of America](#): Dedicated to providing research, advocacy and education to consumers.

## Credit

- Learn how to properly use a [credit card](#).
- [How fast can you pay off your credit card?](#) Use this online credit card calculator to find out!
- [Your Free Credit Reports](#): Learn about accessing your credit reports for free.
- [Understanding and Improving Your Credit Score](#): Learn how to improve your credit score.

## Creating a Budget

Many financial planners also believe that “living within your means” boils down to one thing: self-discipline. Reaching financial goals requires self-control, and understanding the difference between wants and needs. Your first step is to determine your financial goals. When creating a budget, be sure to include:

- Fixed expenses: Expenses where the amount does not change (such as monthly rent).
- Variable expenses: Expenses where the amount may fluctuate from month to month (e.g. your utility bills.)
- Optional expenses: For things like dining out and entertainment.

## Easy Day-To-Day Tips for Saving Money

- Use the resources of your public library for free access to newspapers, magazines, books, movies, music, health information, educational classes, community events and more.
- Use coupons only for staples (butter, milk bread, etc.) Many grocery coupons are for new, high-priced items, so coupons will not really “save” you money – they will just bring these items down to regular price.

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- Read and use merchant sales flyers, and buy generic labels, if possible.
- Buy whole rather than cut foods (meats, fruits, vegetables).
- Buy in bulk if feeding a large household or if food will not go to waste.
- Check thrift and secondhand stores first when purchasing clothes, furniture and other household items.
- Locate a [Buy Nothing Group](#) in your neighborhood or area.
- Pack a lunch for work.
- Engage in free or inexpensive forms of exercise that do not require a paid gym membership, including walking, jogging, biking, free weights, neighborhood community centers).
- Pay bills ON time to avoid interest payments and to help your credit score. Set up automatic payments if that will help you pay on time.
- Don't pay retail for anything – watch for sales, and ask merchants, “Is that your best price?”
- When buying a used car, compare the asking prices with the [Kelly Blue Book](#) price, or the price found in a reputable pricing guide (available at the Library).
- Find and use an automotive mechanic who is honest, well-established, and communicates well about repairs.
- Shop around/price compare for auto, home, and any other needed insurance.
- When looking for service providers, check online for customer reviews.
- When establishing a credit union or bank account, locate a financial institution that charges minimal to no fees.
- Use a cell phone plan which saves you the most money based on your calling habits.
- Cook! Prepared foods are more expensive than ingredients. Eating at restaurants should be reserved for special occasions.
- Same is true with breakfast food and beverages as you start your day.
- Check with your medical provider(s) about discount drug programs if you are having trouble affording your medications. For additional information, look over books available at Kansas City Public Library. You can find more books by searching the [Library's catalog](#) under the subject headings “[Saving and Investment](#),” “[Budgets, Personal](#),” and “[Finance, Personal](#).”