

A4TD

Network To Work

Financial Literacy Series

Presented by Cody Fiala

Introduction to Cody Fiala

- ▶ Certified Credit Union Financial Counselor
- ▶ Employed at Opportunities Credit Union
 - ▶ Vermont nonprofit focused on helping people improve their financial strength & stability
 - ▶ Branches in Burlington & Winooski, VT
 - ▶ Outreach & Services provided throughout Vermont
 - ▶ **Counseling available to non-Vermont residents**
- ▶ Decades of professional experience at VT nonprofits
 - ▶ Education financing & loan repayment counseling
 - ▶ Data analysis
 - ▶ Revenue & expense projections
 - ▶ Manage Operational Budgets & Personnel

A4TD Network To Work Meetings

Financial Literacy Series

December 2021

- ❑ Overview of Presentation Series
- ❑ Introduction to **Banking**

January 2022

- ❑ Personal **Budget**: Building a Budget
- ❑ Using a Budget to Save Money & Reach Your Financial Goals

February 2022

- ❑ **Credit**: Understanding Credit Reports & Scores
- ❑ How to Strengthen Your Credit Report to Save Money

March 2022

- ❑ **Fraud Awareness**: Protecting Yourself
- ❑ Protect Personal & Financial Information + Your Money

Personal Budget

Why & How to Make it Work *for you*

Today we will Cover:

What is a Budget

Why Build a Budget

Building Your Budget

Tips for Your Budget Success



...to save money
& reach your
financial goals

Budget

Reactions?

Thoughts & Feelings?

What is a Budget?

It is Yours!



What is a Budget?

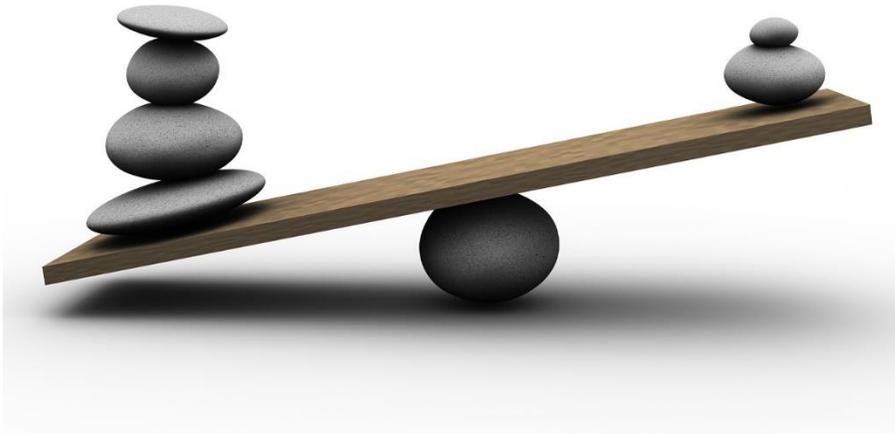
A Balance of
Income
&
Expenses

Income

Expenses



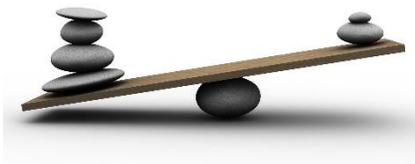
Why Build a Budget?



When Expenses & Income are not balanced

... and **Expenses** are more than **Income**

... We face even **more Expenses** *and stress*



Expenses more than **Income**

... more
expenses
happen

Interest charges when you borrow credit to cover regular expenses

Fees

- **Late payments** on bills
- **Insufficient funds** in your bank account
- **Past Due accounts** sent to Collections



↑ Interest Rates & Cost when credit payments late or @ collections

A Budget helps you change this expensive imbalance

... and begin saving



Expenses and **Income** Balanced

... you save

~~Interest~~ when income is used for regular expenses

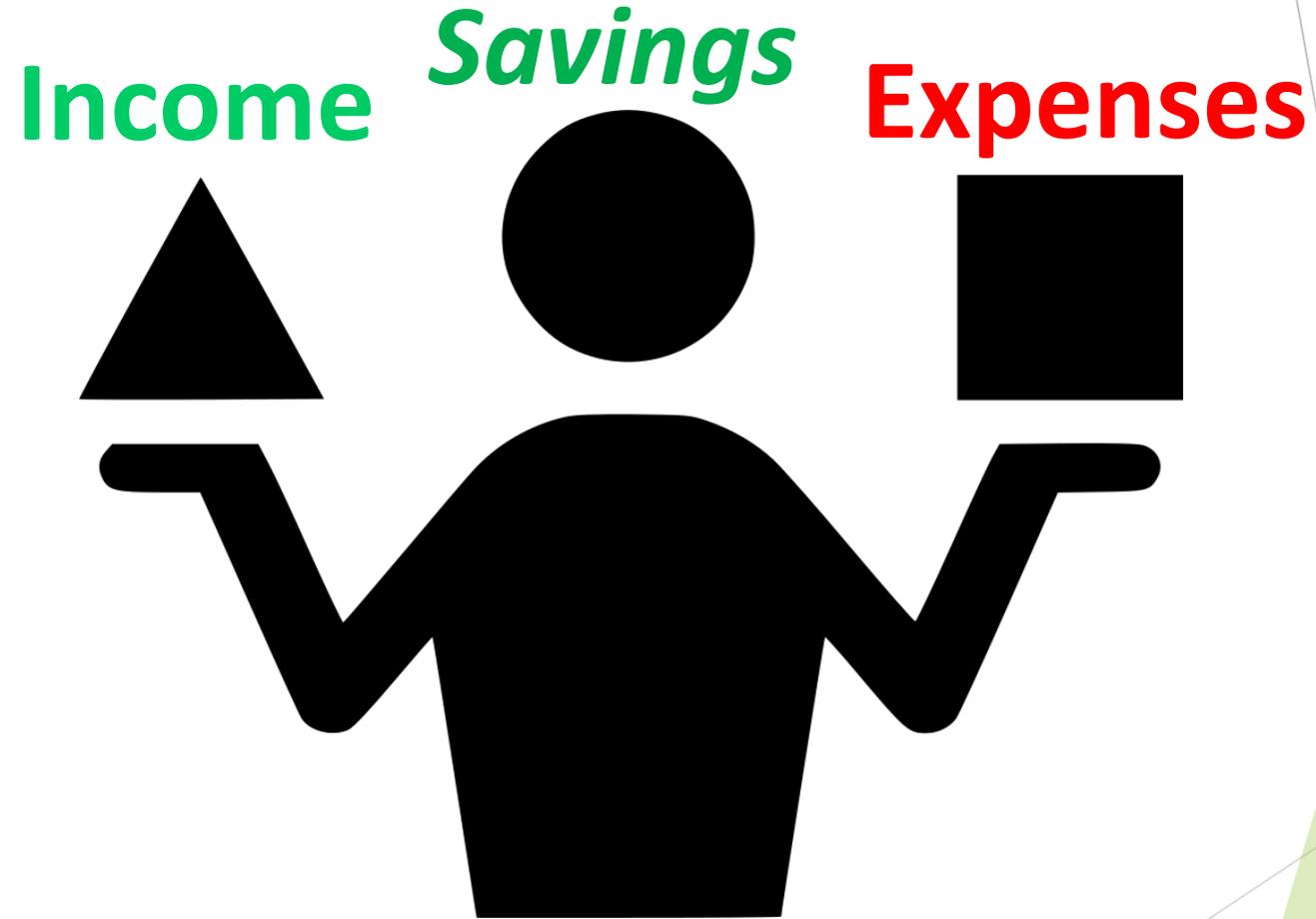
~~Fees~~ when bills are paid on time

~~Stress~~ when no debt collectors

↓ Stress with a plan to pay for monthly expenses

↓ Stress with \$\$ reserved for unexpected expenses

What is a Budget?



A Balance of
Income
&
Expenses
&
Savings

Ideas for Your Savings

Build Emergency Fund

- ✓ Unexpected Expenses
- ✓ Potential Loss of Income



Reserve for Future Known Expenses

- ✓ Repairs || Seasonal Costs

Pay Off Debt

- ✓ Save interest costs || Free up \$\$ for your financial goals

Your Financial Goals



Balanced Budget Benefits

Confidence knowing what expenses you can afford

With your income

Reduce costly fees & interest charges

Late payments

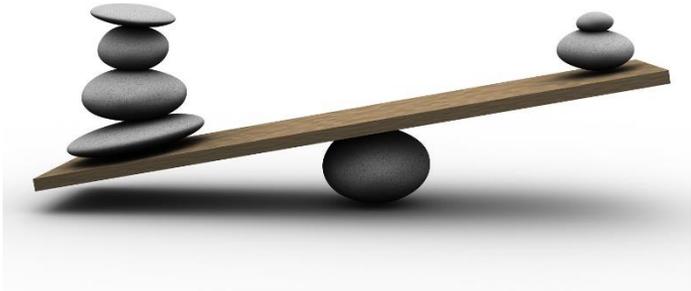
Over-Draft

Non-Sufficient Funds

Identify ways to save money

Your Financial Goals





Building Your Budget

Track Your Money

Money In

Money Out

Money Saved

Seasonal & Unexpected

Categorize Spending

Obligations & Needs

Wants

Savings

Fixed or Flexible

Make Informed Choices & Changes

*Where does your
money go?*

Building Your Budget

Track Your Money

Money In

Money Out

Seasonal || Unexpected

- Paper
- Spreadsheet
- Free program at Credit Union & Bank
- Apps: *explore a free one first!*

mint.intuit.com

wally.me

Where does
your money
go?

Experiment & find
a tracking method
that works for you

Track Your Money, *Example*

DATE	DESCRIPTION	PLANNED	ACTUAL	DIFFERENCE	Running Difference
DECEMBER	INCOME	\$ 1,500	\$ 1,500	\$0	
DECEMBER	EXPENSES	\$ 1,315	\$ 1,315	\$0	
DECEMBER	BALANCE	\$ 185	\$ 185	\$0	
Dec 1	Rent	\$ 800	\$ 800	\$0	\$0
Dec 1	Car Insurance	\$ 100	\$ 100	\$0	\$0
Dec 5	Groceries	\$ 50	\$ 50	\$0	\$0
Dec 6	Starbucks	\$ -	\$ 5	-\$5	-\$5
Dec 15	Heating Bill	\$ 75	\$ 80	-\$5	-\$10
Dec 15	Emergency Savings	\$ 25	\$ 25	\$0	-\$10
Dec 16	Gasoline	\$ 25	\$ 30	-\$5	-\$15
Dec 17	Groceries	\$ 50	\$ 40	\$10	-\$5
Dec 18	Electricity Bill	\$ 65	\$ 85	-\$20	-\$25
Dec 20	Dinner with Friends	\$ 50	\$ 25	\$25	\$0
Dec 25	Cable Bill	\$ 75	\$ 75	\$0	\$0
				\$0	\$0

Building Your Budget

Track Your Money

Categorize Spending

Obligations & Needs

Wants

Savings

Fixed || Flexible



*Where does
my money
go?*

As you see where your money is going...

What do you notice?

What do you think & how do you feel?

What possibilities do you start to see?

Categorize Spending, *Example*

OBLIGATIONS & NEEDS	SAVINGS	WANTS & CHOICES
Housing: Rent / Mortgage	Emergency Fund	Clothing / Shoes / Jewelry
Auto Loan / Other Loan Payments	Future Known Expenses	Hair / Personal Services
Insurance: Home / Auto	Your Financial Goals	Beverages & Dining Out / Delivered
Credit Card Payments		Entertainment
Utilities, Phone & Essential Services		Hobbies / Activities
Health Care & Medicine		Gym / Club Membership
Transportation: Fares, Fuel, Repairs		Pet Food & Care
Groceries & Dry Goods		Furniture / Household Items

Building Your Budget

Track Your Money

Categorize Spending

Make Informed Choices & Changes

What are my *Financial Goals*?

What do I want to *Save* for?

What *Fixed* Expenses might I reduce?

What *Flexible* Expenses can I reduce?

What do I *Need* to buy? What do I *Want* to buy?



What changes to
Spending & Saving
am I ready to make?

Quick Review: Budgeting

Know where your \$\$ goes

Make informed decisions
& intentional choices

Know

Money In

Money Saved

Money Out

Obligations | Needs | Wants

Fixed | Flexible | Seasonal

See

Possible Choices & Changes...



Quick Review: Budgeting

Know where your \$\$ goes

**Make informed decisions
& intentional choices**

- ✓ Change Savings
- ✓ Change Expenses
- ✓ Change Income

Achieve Your Financial Goals





Tips for Succeeding with Your Budget

Involve the people your income & expenses are supporting

Establish your priorities: Obligations | Needs | Wants | Goals

Create visual motivators

- ✓ Your Financial Goals
- ✓ Changes you have made to Expenses | Income | Savings
- ✓ Progress towards your Goals

Ask family & friends to support your efforts

- ! Friendly competition

Tips for Succeeding with Your Budget

✓ Brainstorm

- Expenses: Cut out or cut down?
- Income: Options to boost?

✓ Schedule

- *Recurring Expenses*: how much & when
- *Savings*: Automatic Deposits

Emergencies || Seasonal Costs || Special Purchases

✓ Explore

- Refinance: Mortgage, Auto, Education Loans
- Income Sensitive Plans: Education Loans & Medical Bills

Tips for Succeeding with Your Budget

- ✓ Create distance:
 - Credit Cards
 - Leave at home || Disconnect from online sites
 - Impulse
 - Walk away from new wants
 - Consider your priorities & goals
- ✓ Create shopping lists ... and stick to them!
- ✓ Barter || Borrow
- ✓ Be firm about how much you can/not give to others

Resources

- ▶ **Consumer Financial Protection Bureau**
 - ▶ Consumer Education Topics
 - ▶ www.consumerfinance.gov/start-small-save-up/start-saving
- ▶ **Statewide Resource Directories**
 - ▶ CT: 211ct.org
 - ▶ ME: 211maine.org
 - ▶ NY: 211nys.org
 - ▶ PA: pa211.org
 - ▶ VT: vermont211.org
- ▶ **NerdWallet.com**
 - ▶ Guides & Tips on Spending & Saving

Thank you for your time



Questions?

For Confidential Questions & Financial Counseling

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