



## Budgeting Tips

It is always a good time to take stock of your financial health. Given the economic turmoil of the last couple of years, setting financial goals such as paying down debt or increasing savings, is a key strategy toward overall financial health. In addition, getting a handle on your budget can also help relieve stress in other areas of your life. The first step is to look at your current monthly budget and expenses, and then identify areas where you can make changes.

Do you often wonder where your money goes a few weeks or so after depositing your paycheck? This is often the case with “invisible” spending habits. The fact is, no matter how much money you make, it will tend to disappear if you don’t know where it’s going.

A basic truth of budgeting is this: It’s not what you make, it’s what you keep.

### What you can do

- **Track spending.** As a first step to financial self-knowledge, write down all expenditures you make in the course of a month--every electric bill, grocery receipt, every time you grab a bite on the run. You may be surprised at how fast small random purchases add up. If you struggle with recording your expenditures, you may consider using an online tracking tool, such as [www.mint.com](http://www.mint.com).
- **Make a plan.** After reviewing your monthly spending, take stock of your financial situation. Identify expenses that you and your family can reduce or manage more efficiently, and write down specific ways do so. Although it may be difficult to make changes in the beginning, such as forfeiting your morning latté, you may develop increased motivation to save as you gain more control over your finances.
- **Don’t forget the miscellaneous.** Car trouble, pet needs, doctor bills, leaky faucet...Remember to allocate a small amount each month for when those unexpected expenses pop up. Get in the habit of setting aside money each month for miscellaneous expenses, and rather than spend what you don’t use, roll it over into the following month.
- **Careful with credit cards.** Here are some tips for using your hard-earned credit wisely:
  - 1) Don’t charge more than you can pay off each month. Credit card balances are among the most expensive loans you can get.
  - 2) Look for low-interest cards with no annual fee.
  - 3) Every so often, call your credit card company and verify your interest rate. Ask if you are eligible to receive a lower rate.
- **Build an emergency fund.** One of the most important steps to take for you and your family is to build an emergency fund. An emergency fund is money you save for unexpected expenses and should not be used to pay for entertainment, vacations, or anything except an emergency. The general recommendation is to save at least 6 months worth of expenses.
- **Reach out.** If you are having trouble paying bills or staying on top of debt, reach out to your bank, utilities or credit card company for assistance. Ask about any programs or payment schedules you may qualify for. You can also contact your Employee Assistance Program or seek advice from your local consumer credit counseling agency.

For more budget tips and information, visit the website or call the toll free number listed below.



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