THE BUDGET BLUEPRINT *email course*

GIVING YOU THE STEP-BY-STEP GUIDANCE YOU NEED TO CREATE A SUCCESSFUL BUDGET USING THE CASH ENVELOPE METHOD!

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BUDGET BLUEPRINT

Welcome

Welcome to the first email in the Budget Blueprint Email Course! I am so glad you are here and are ready to take the first step in creating a plan for your money!

Before we get started, I should probably introduce myself. My name is Kumiko, but most people just call me Miko.

- I graduated college with a Finance degree and ton of credit card debt.
- Creating my first budget was like a slap in the face, and I realized how bad my debt had become.
- I learned everything I could about personal finance, paid off over $21,000 in credit card debt, and became an Accredited Financial Counselor®
- I decided I wanted to help people and give them all of the information I wish I had when I was dealing with my money struggles.
- I created a blog, and just under two years made it a successful business.
- After working in the financial industry for over seven years, and obtaining my FINRA General Securities Representative License, I found my real passion for helping people with money management.

I have literally gone from a "broke rich" girl who knew nothing about money, to a successful budgeter and finance expert.

I tell you this, so you know that it is possible to have a positive relationship with your money.

You can create a plan for your finances that shows you real signs of progress, and I want to help you get there!

The only way you will get value from this course is by taking action. It's not enough to just read the emails and learn the information. You have to do the work. I will give you clear actions steps and guide you throughout this course. I know you can do it!

Here's what you can expect from the Budget Blueprint Email Course:

BUDGET BLUEPRINT

Welcome

- **6 days of lessons which include:**
- **Day#1**: What is a cash envelope budget & how to get started.
- **Day #2**: Understanding your income.
- **Day #3**: How to make your budget realistic.
- **Day #4**: What is your budget missing?
- **Day #5**: How to organize your bills and track your expenses.
- **Day #6**: How to use cash envelopes.
- **Day #7**: Recap, Notes, and Printables.

In every lesson, I will give you clear action steps to do each day. Remember, to have the best outcome and to create a successful budget by the end of this course you have to take action, not just digest the information.

Before I start sending emails for the course, I want to make sure that my emails are not slipping through the cracks or get stuck in your spam folder.

I would hate for your to miss out on valuable information, or even worse, FREEBIES. So let's take care of some technical stuff real quick and start with your first action steps!

ACTION STEP #1: Be sure to whitelist and prioritize all emails from "The Budget Mom" and kumiko@thebudgetmom.com. Here's how to do it.

- **GMAIL:** In your inbox, locate an email for The Budget Mom (example, the subscription confirmation email that led you to this page). Drag this email to the "primary" tab of your inbox. Emails from me will now go to your primary folder in the future.
- **YAHOO! MAIL**: When opening an email message, a "+" symbol should display next to the From: and the sender's name. Select this, and an "Add to contacts" pop-up should appear. Select "Save."
- **OUTLOOK 2003 & LATER (Hotmail)**: Right click on the message in your inbox. Select "Junk Email" from the menu. Click "Add Sender to Safe Sender's List."

ACTION STEP #2: Stay connected. Make sure to join my private Facebook community, TBM Family.

Stay connected. Make sure to join my private Facebook community, TBM Family (https://www.facebook.com/groups/TheBudgetMomFamily). I want to make sure you have a positive and comfortable place to ask questions and share your thoughts and struggles throughout this course. It's filled with supportive women, and it's exclusive to TBM readers.

ACTION STEP #3: Make sure you download the course syllabus.

Make sure you download the course syllabus. It includes a place for you to write down notes and record tasks and reminders as you work through the course.

DAY #1 RECAP & ACTIONS STEPS

ACTION STEP #1: Make sure you are getting my emails.
ACTION STEP #2: Join the TBM Family Facebook group.
ACTION STEP #3: Download the course syllabus.

Tomorrow, we are going to jump right into the nitty-gritty details of what a cash envelope is and how you can get started!

BUDGET BLUEPRINT

Day 1: What is a budget & How to Start

Welcome to Day #1 of the Budget Blueprint Email Course!

Today, there is going to be a lot of helpful information.

We are going to jump right in with learning all about what a budget is, and how you can get started.

Let's get started!

There is no doubt that your budget is personal. In fact, it's one of the most honest and intimate things you can create. Sometimes, it's so real that it can be scary to see the actual numbers. It's utterly dependent on YOUR financial circumstances, expenses, and personal goals.

There are two critical reasons why creating a budget is essential.

- **Reason #1**: A budget can help you determine how much you have to spend on necessities and how much you have left over to pay the rest of your bills. This will help you make decisions and give you a range of choices on how to deal with other areas of your financial picture.
- **Reason #2**: A budget helps you see how you are spending your money. You can pinpoint spending problems and identify spending habits.

WHAT IS A BUDGET?

Mostly, a budget is nothing more than a detailed list of your income and expenses. You are creating a plan to spend your money. Your budget allows you to determine in advance whether you will have enough money to do things YOU need to do or would like to do. Many people think that creating a budget is restrictive. I am a firm believer that it gives you freedom. Being able to choose how and where you spend your money, instead of where you NEED to spend your money, is the most freeing part of budgeting.

BUDGET BLUEPRINT

Day 1: What is a budget & How to Start

An envelope budget adds the element of cash to your budget. Just like a normal budget, you create categories based on your spending and priorities. Before you can start using the Cash Envelope Method, you have to have a solid budget already in place.

HOW TO MAKE A BUDGET

STEP #1: SET GOALS

Before you start creating a budget, you need to identify what's important to you. You can't have a foundation for your budget if you can't decide on what you want to do with your money. For example, if it's important to you to live without money worries, then your goal might be to pay off credit card debt. If it's important to you to spend time traveling, then your goal might be to build up a savings account.

You can have short, medium, or long-term goals. A short-term goal might be to pay off a small credit card or buy a new dishwasher. A medium-term goal might be to take a family vacation or save enough money for a down-payment on a new car. Long-term goals usually include plans for retirement or paying for your child's education.

Whatever goals you set, they are yours, and you have the power to choose what is in important to you. Here are some **tips on setting up successful goals.**

- Think about how much you need to save and for how long. Then think about how you will accomplish it. For most, this means putting a set amount of money aside each month, according to when they get paid. It's important to know that this monthly amount is the difference between just having a goal... or making that goal a reality.
- Be realistic when setting your goals. Starting small is OK! You can always increase your savings or debt payments later, but start by planning for success!
- Write down your goals and keep your list somewhere visible.

BUDGET BLUEPRINT

Day 1: What is a budget & How to Start

ACTION STEP #1: Grab a pen & papper, download m Goal Worksheet, and jot down your goals.

STEP #2: CALCULATE YOUR NET MONTHLY INCOME

Your net monthly income is what you bring home after taxes and insurance. This is the amount that is deposited into your checking account.

Start by making a list of all your household income sources and the amounts. Include EVERYTHING: wages (after taxes), commissions, self-employment income, child tax benefits, pensions, child or spousal support, and other REGULAR income.

ACTION STEP #2: Calculate you net monthly income (use my Income & Expense Budget Worksheets)

STEP #2: CALCULATE YOUR YOUR EXPENSES

This step is going to require some effort and time. This part of your budget is critical and needs to be real and accurate.

The best way to complete this step is to analyze your spending. This can be difficult because, for most people, they are aware of how much they have coming in, but not so sure about where it goes. I want to make this clear. Spending includes EVERYTHING you spend your money on. This includes your normal expenses (utility bills, groceries, car payment, gas), but emergency savings, debt payments, and life insurance premiums are ALL expenses as well.

If you already keep track of family spending, this is where you need to start. If you are like most and don't record your spending, you need to gather spending information from bank account statements, credit card statements, check register books, receipts or bills.

BUDGET BLUEPRINT

Day 1: What is a budget & How to Start

Analyze your spending information and create categories for your budget. I have created a helpful Expense Budget that will help you categorize your expenses into budget form.

ACTION STEP #3: Analyze your spending, calculate your expenses, and download (and fill out) my Income & Expense Budget Worksheets.

ZERO-BASED BUDGET

With a zero-based budget, you have to make sure that your expenses match what's coming in during the month and you're giving every dollar a plan. When you subtract your expenses from your income, you should get zero. (Net Income - Expenses = Zero). If you have **money left over at the end of the month**, make sure to assign it to a category in your budget. Add it to your miscellaneous category or increase your savings for the month.

If you have a **negative number at the end of the month**, now is the time to go over your budget and see where you can make changes. Is there an area of your budget where you can take money out of? Maybe you can take a little out of your miscellaneous category, or spend less on groceries for the month. You need to be willing to ask yourself where are you willing to make sacrifices.

REFLECT & UPDATE

The Worksheets I provided include many sources of income and expenses, and it's vital that you don't assume I have thought of everything. Always remember that your budget needs to reflect your own life and experiences which may include things that aren't listed. Feel free to add or remove items in the Income & Expense Budget Worksheets. I made room on the budget to add things that are relevant to your own life.

I recommend saving the worksheets to your desktop and creating new ones every month. You should be updating your budget on a monthly basis at the minimum. Another thing I recommend is keeping copies of every month in a binder so you can go back and compare your income and spending in different months to check if you are making progress over time. Are you cutting expenses and increasing your income?

After creating your income and expense budget for the first time, use it for a month, stick to it, and live by it to see if it correctly reflects your actual income and expenses. Sometimes, writing out the numbers is very different than what is happening in real life. Don't be afraid to adjust things when it's not working out.

Making a successful budget can take several months to master. It took me a solid six months before I created a budget that actually worked for my family and me. You will make mistakes, and there will be areas where you fail. Don't give up! No matter what, stick with it. I promise it's worth it!

I have created a more detailed article (https://www.thebudgetmom.com/how-to-budget-your-income-and-expenses/) about calculating your income and expenses on The Budget Mom blog. If you are not quite ready to digest all of the information, pin it on Pinterest here: (https://www.pinterest.com/pin/310326849178005 19/).

ACTION STEP #4: Pin How to Calculate Your Income & Expenses to Pinterest.

DAY 1 RECAP & ACTIONS STEPS

ACTION STEP #1: Set goals.
ACTION STEP #2: Calculate you net monthly income.
ACTION STEP #3: Calculate your expenses and download the Income & Expense Budget Worksheets (fill them out).
ACTION STEP #4: Pin How to Calculate Your Income & Expenses to Pinterest.

BUDGET BLUEPRINT

Day 2: Understanding Your Income

Welcome to Day #2 of the Budget Blueprint Email Course!

Today, we are going to talking more about your income, but most importantly, what to do if you have irregular income.

Let's dive in!

There's no question that budgeting is easier when you have predicted income. A working and successful budget does depend on your income; however, it's also a way for you to figure out how much money you need to live the life YOU WANT. You then rearrange and tweak the numbers, so you don't exceed your limits.

The money you do have coming in should always work for you, not against you. You need to tell your money where you want it to go based on the things that are truly important to you.

If you have irregular paychecks, you need to be budgeting. That's the bottom line. If you are a freelancer, a temp worker, an artist, a salesperson who depends on commission, a seasonal worker, a cosmetologist, a consultant, a bartender or server who depends on tips, or own your own business, then most likely you have fluctuating income. What do you do when most of your income is entirely dependent on how much tips you make in one night?

Questions like these are common, so I wanted to make sure I addressed it in the Budget Blueprint Email Course. There are a couple of things that can make budgeting easier when you have irregular paychecks.

Base your income on your lowest-paid month from the previous year.

I call this "figuring out your minimums". It's important to understand that your budget is a balancing act. No matter what, one side of the equation (income or expenses) has to be consistent at all times.

BUDGET BLUEPRINT

Day 2: Understanding Your Income

ACTION STEP #1: For your income, use the lowest amount that you expect. It's better to under budget than to over budget your income.

For example, if you have steady income, then your expenses can fluctuate. If your income varies, then your expenses have to be consistent and fixed. You need to list your expenses from the most essential to the least.

ACTION STEP #2: Prioritize your expenses.

Using the budget you created yesterday, take a highlighter and number your expenses from the most important (things like food, shelter, clothing, and transportation, and the minimum payments on your debts), to things that you could go a month without (like gym memberships, fun money, miscellaneous expenses, or extra savings).

When you get paid, pay the most important expenses first, then work your way down the list.

For example, when you get paid for the first time using your new budget, pay your most important expenses first. Don't pay for things like extra savings or additional debt payments. It's important that you take care of monthly necessities first.

The next time you get income, or have additional money, pay the next expenses on your priority list. Then pay for savings or extra debt payments.

Repeat the process every month.

Your most important expenses are not likely to change every month, and that's good because you want to keep your costs as consistent as possible. There will be some varying expenses from month to month, so you need to make sure to create a budget every month.

Saving money is more important if your income is irregular.

After all of your expenses are paid, and you have money left over, instead of assigning that money to a random category in your budget, put it toward's an emergency fund or a revolving savings account. A revolving savings account can be used to set money aside in case you do come up short one month. This account could also be used as a cushion to make sure your monthly essentials are getting paid.

Creating a budget with irregular income can be hard at first, but don't let that stop you. In fact, budgeting is more important than ever if you are dealing with inconsistent income.

HOW TO BUDGET LUMP SUMS YOU ARE EXPECTING BUT HAVE NOT RECEIVED

Do you expect a yearly bonus at work? How about an inheritance you are expecting at the end of the year? Many people have money they are expecting in the future, but is not yet physically in hand. Sometimes the expectation is no more than a possibility, while in other cases it is guaranteed.

Even though you do not physically have the money in hand, it's still possible to include this money in your budget. The only thing you need to remember is that you have to be realistic about when the money may come and how much it will be.

The one thing I want you to know is that it's always a bad idea to budget for income that is no more than a hope, either in timing or amount. Income that is too uncertain should no be included in your budget at all.

ACTION STEP #3: Plan for *expected* lump-sum income (if you have it).

BUDGET BLUEPRINT

Day 2: Understanding Your Income

Day 2 RECAP & ACTIONS STEPS

ACTION STEP #1: Use the lowest amount that you expect for your monthly income.
ACTION STEP #2: Prioritize your expenses.
ACTION STEP #3: Plan for expected lump-sum income.

If you have regular income, you are probably wondering how this email applies to you. Prioritizing your expenses is still important. Knowing which expenses you HAVE to pay versus what you NEED to pay can help you when money is tight.
Even with regular income, there aren't many situations where every paycheck is exactly the same every single time. Even for me, I get paid a set hourly wage, and I work 80 hours every two weeks, no matter what. Essentially my income is regular. However, I only get paid on the 5th and 20th of every month. Some months have more days, which means some paychecks I will have 88 or 96 hours instead of my normal 80. So i budget like I am only getting an 80 hour paycheck, even though it might be 88 or 96. If I have extra income, it gets put towards extra savings or a bigger debt payment.

Tomorrow, we are going to talk about how you are going to stick to your budget by making it realistic!

BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

Welcome to Day #3 of the Budget Blueprint Email Course! Today, you are going to learn simple things you can do that will give you a greater chance of sticking to the budgets you created in day #1 of the course.

The truth is, the more a plan works and shows real progress, the more you are likely to stick with it. The same goes for budgeting.

I know budgeting works because it completely changed my life. Creating a realistic budget means seeing progress and developing practical solutions to your money problems.

Over the last seven years, I have come up with some ways that can make budgeting easier and more effective. I realized that once I started implementing these things in my budgeting process, the more successful my budget became.

Today, I am going to share what I have learned and how you can achieve the same success.

MAKE SURE YOUR NUMBERS ARE ACCURATE

It's easy to write down some numbers on a piece of paper. The hard part about budgeting is making those numbers resemble your actual life. The more realistic you are about each of these numbers, the more likely you'll be able to stick to your budget.

If you struggled with calculating your expenses in Day #1 for your Expense Budget, this is the perfect opportunity to fine-tune and make changes. I know it's hard to estimate some costs, especially variable expenses, so I am going to show you how to get things as accurate as possible.

Keep in mind, if you aren't willing to put in some investigative work, budgeting won't work. It's that simple. You have to be aware of how much money is coming in and how much money is going out. You also need to know where your money is being spent.

BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

Let me stop you for a second. DO NOT get caught up in all of the information out there that is telling you what your budget SHOULD look like or what it SHOULD include. Don't compare your budge to anyone else's. Your life is unique, which means you budget is going to be unique as well.

It's also easy to write down numbers you WISH you could stick rather than the actual dollar amounts that are leaving you wallet or checking account. DON'T DO IT!

For example, if you write down $300 for groceries every month because that's what you THINK you should be spending, rather than the $500 you are really spending, you will fail every time.

Be honest about what's happening with your money, even if it seems like a massive slap in the face.

There are a couple of different ways to get detailed information about your expenses:

OPTION #1: Gather all of your financial statements (know immediately).

Stop winging it. Stop guessing about the numbers. Take the time to gather your pay stubs, bank statements, investment accounts, and bills.

Know your fixed expenses. Fixed expenses include your regular recurring bills and taxes. Fixed costs don't change from month-to-month and include things like your mortgage/rent, utilities, insurance, and minimum debt payments.

Look at your financial statements. What bills are you paying every month that are the same? These are your fixed expenses. Keep in mind, you should include minimum savings payments as fixed expenses in your budget.

BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

Estimate your variable expenses: If you have money left over after paying your fixed costs, you have what's called discretionary income. This is the income you need to use for costs that var from month-to-month (groceries, gas, clothing, eating out, entertainment, and coffee).

To estimate these costs for your budget, look at your bank statements and see how much you are spending on these types of expenses. One way to do this is by using highlighters.

If you want to know how much you are spending on groceries every month, look at your bank statements and other financial statements and highlight all transaction that are related to groceries with a green highlighter. Once all transactions are highlighted, total them up.

I do this with all line items in my budget. For example, all gas transactions are highlighted in yellow; all clothing purchases are highlighted in blue; all coffee transactions are highlighted in green; all gas purchases are highlighted with pink. Once all transactions are highlighted in different colors, I add up all of the pink transactions, all of the blue transactions, all of the green transactions, etc.

Do this for a couple of months worth of financial or bank statements. This will give you a good idea of how much you are spending on each one of these categories. Average out the numbers, and that's what you should be using for the numbers in your budget.

OPTION #2: Use an expense tracker to track your expenses (takes a couple of months).

Another way to find out where your money is going is by tracking your expenses every day. This is when things gets real. This option takes a little more time, since it will take a couple of months to gather data. However, it's totally worth it.

OPTION #2: Use an expense tracker to track your expenses (takes a couple of months).

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BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

ACTION STEP #1: Make sure your numbers are accurate by reviewing pas financial statements. Download my Expense Tracker and start tracking your expenses every day.

MAKE SURE YOU INCLUDE LONG-TERM EXPENSES

A realistic budget includes not just things that happen on a regular basis, but things that only happen once in awhile. Things like car insurance, medical and dental insurance, or property taxes can easily be forgotten if you only pay them once or twice a year.

Most of the time, there are saving benefits if you pay for these expenses every year or six months, rather than every month. So what do you need to do to make sure these bills don't derail your budget?

- **Look through your records or past statements** to see how much money you spent the previous year for long-term expenses.
- **Take that amount and divide by 12**. This is the amount that you need to set aside eveyr month to pay the annual bill. If it's a bill you pay every six months. like car insurance, divide the amount by 6. (For example, if you spend $600 per year on car insurance, your monthly budget is $50 per month)
- **Make sure to add you monthly amount to your budget and treat it like a regular expense**.
- **Move that money every month into a savings account** that's specifically marked for long-term expenses.
- **If you having trouble opening multiple different savings accounts**, you could always withdrawal the money from the ATM and keep it in an envelope or jar marked for the purpose (just be sure to stash it somewhere safe and out of sight, so you don't spend it)

ACTION STEP #2: Make sure you budget include monthly amounts for long-term expenses.

BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

DON'T BE AFRAID TO MAKE CHANGES

I can almost guarantee that the first budget you create is NOT the one you will continue using. For me, it took nearly six months to find numbers that worked for my budget and life.

The thing to remember is that there is no right or wrong way to budget.

If your budget is making you more intentional with your money and is giving you signs of progress, then it's working. If you are constantly going over budget or finding new expenses that aren't accounted for every month, then maybe it's time to look at it again and make necessary changes.

I suggest scheduling time in your calendar to check in with your budget and expenses at least every month. This is at the minimum. You should have some system in place where tracking your expenses and spending is a daily occurrence.

What are some signs that your budget might not be working?

If you get to the end of the month and you had to dip into your savings to make ends meet, it might be time to revise your budget. Being in the negative every month is a glaring signal that changes need to be made. Can you cut back in other areas of your budget to save money? This is where tracking your spending every day is crucial.

Can you cover unexpected expenses such as needing major car repairs or replacing a broken appliance? If your budget doesn't allow you to save some of your take-home pay for emergencies, there might be future financial trouble. Emergency savings is key to a healthy budget, and it needs to be included in your monthly expenses.

I suggest saving at least $1,000 for emergencies. Come up with a number that makes you feel secure, and start setting aside monthly amounts to reach your goals.

BUDGET BLUEPRINT

Day 3: Making Your Budget Realistic

Are you constantly going over budget in one category? Budgeting is all about trade-offs. If you spend more on entertainment, you have to spend less on groceries. Maybe it's time to adjust your spending. Do you need to cut back in one area to spend more in another?

Did your financial goals change? Any time there is a significant change in your financial goals, you need to sit down and take a hard look at at your budget. For example, if you spent the last five years paying off student loan debt and you finally accomplished that goal, you need to decide where that money needs to go now that it's not going toward student loan payments.

You're not able to pay bills on time. If you are consistently late on bill payments, it might be time to rethink HOW you are budgeting your money. Late payments are not always a result of not having a bad budget. Sometimes, it's an organizational issue. We are going to talk more about this on Day #6.

ACTION STEP #3: Make sure you look for warning signs that your budget is failing.

You have to be willing to do the work if you want your budget to make severe impact on your life. Analyzing your spending, adjusting your budget when needed, and knowing the warning signs of a failed budget are all things that need to addressed if you want the greatest chance of sticking to your budget.

DAY 3 RECAP & ACTION STEPS

ACTION STEP #1: Make sure your numbers are accurate and start tracking your spending every day (download the Budget Blueprint Expense Tracker)
ACTION STEP #2: Add monthly amounts for long-term expenses to your budget.
ACTION STEP #3: Look for warning signs that your budget is failing.

BUDGET BLUEPRINT

Day 4: What is Your Budget Missing

Welcome to Day #4 of the Budget Blueprint Email Course! Today, we are going to talk about some common expenses that you should be budgeting for, but you aren't.

It happens all the time. You are a couple months into your new budget, and then all of sudden you've blown it. You're sitting there wondering where your money went, and how you didn't see this coming.

You need to set yourself up for success from the start, and that means making sure you are including these items in your budget!

GIFTS

Budgeting is all about planning. It's vital that you plan ahead and include gift giving in your budget. Tomorrow, I am going to provide you with the tools that will make this task a little easier, but for right now, I need you to be aware of upcoming birthdays, holidays and special occasions. They happen like clockwork, and you need to have money set aside to cover the costs. No, I don't mean pulling the money out of savings!

How much did you spend on Christmas gifts last year? Are there birthdays that you spend money on time and time again? To determine the amount you need to set aside monthly, you need to investigate your spending habits for the previous year.

Figure out reoccurring birthdays, get a good idea of how much you spent on holiday gifts last year, and total the amount. Then, divide the total paid by 12 to get a monthly budget amount.

BUDGET BLUEPRINT

Day 4: What is Your Budget Missing

CLOTHES

If you have children, this is an essential item that needs to be included in your budget. They wear an outfit once, and they outgrow it by the next week. Seasons also change, and they will need new clothes for school. That doesn't mean you can forget about yourself. You need to account for necessities like undergarments and socks in your budget.

When it comes to purchasing clothes in bulk (like back-to-school clothes) look at your total spending by going through old financial statements for the past 12 to 18 months. That will give you a good idea of how much you spend annually, and you can spread the cost over 12 months. You will deposit this amount in your "clothing" cash envelope.

HOME MAINTENANCE

Owning a home can be costly. Things break and need to be replaced. The lawn needs upkeep and flowers need to be replanted. Are you budgeting monthly for these expenses? Keep in mind, even if you don't own a home, you still need to be putting money aside monthly! I live in an apartment, and I know all too well about needing money for house maintenance (like the new vacuum I bought last week). Here are some common home expenses:

- Insurance (home or renters)
- Taxes
- Furnishings or window treatments (even in an apartment you need to have privacy)
- Utilities
- Maintenance & repair (like my new vacuum)
- Pest Control
- Garden & lawn care
- Sewer
- Trash Service

BUDGET BLUEPRINT

Day 4: What is Your Budget Missing

There are many different ways to budget for maintaining your home. Some people swear by the 1% rule, which suggests that one percent of the purchase price of your home should be set aside each year for ongoing maintenance.

I am not a fan of this method. Each home is unique, the market when you bought your home makes a difference, and there are many different independent variables. The best way to budget for home maintenance is by taking inventory of the things that might need to be replaced and dividing their value by 12. That's the amount you need to save each year. How much did you spend on lawn care last year? You need to set money aside monthly to cover the expense.

My rule of thumb. Save enough money to make you feel secure. If you know your roof is old and needs to be replaced in a couple of years, get an estimate and start saving money monthly. Worried about an appliance breaking? Set enough money aside that allows you to sleep better at night.

MEDICAL EXPENSES

Budgeting for your monthly premiums isn't enough. There are always items that aren't covered by insurance. Copays and deductibles can add up and it can put a strain on your budget if you aren't prepared. Make sure you are adding regular dental and doctor visits to your calendar and plan accordingly.

MEMBERSHIPS & SUBSCRIPTIONS

If you are a member of Amazon Prime or Costco, you have a yearly membership fee you need to plan for. Save monthly for these expenses by taking the annual membership fees, and dividing by 12. Don't forget to include things like magazine subscriptions (hello, Magnolia Journal), gym memberships, or box services (food services or health and beauty subscriptions.

Use the Budget Blueprint Membership & Subscription Reminder Worksheet to keep track of costs and to write down your monthly budget amount.

BUDGET BLUEPRINT

Day 4: What is Your Budget Missing

ENTERTAINMENT MONEY

Just because you are creating a budget doesn't mean you can't fun while doing it. If you completely deprive yourself while trying to spend less and save more, you will fail. The truth is, you can still do the things that you enjoy like going to the movies, enjoying a date night, or traveling - you just have to plan for it.

This is where you get to decide what's important to you so you can plan for it. Consider setting some money aside each month so you can do the things that matter to without going into debt or busting your budget.

PET SUPPLIES

Pets are part of the family, at least in my home they are. We are in love with out guinea pig, Penny, but she is expensive. She's only the size of my hand, but she eats like shes the size of a dump truck. Make sure you have food, toys, and grooming included in your month pet costs. It's easier to keep track of your pet expenses if it has it's own category. This also makes it easier to see if you can afford to add a new furry friend to your family.

HAIRCUTS & BEAUTY

If you are like me, quality is always more important than price in this category. I am willing to spend a little more for my hair appointments, as long as I know it gets done the way I want it to and the products they use are high quality. I get my hair done about every 6 months, which is fewer than most. I do have highlights, but one way I save money is by keeping my highlights close to my regular hair color. This allows me to go longer in between hair appointments without worrying about grow out.

How often do you get these services done? I spend about $100 every time I go to the salon, which is about $200 every year. I take that amount and divide by 2. Sometimes, I am not sure when I need to go in, so I will budget my money a couple of months prior. For example, I usually know I need to go to the salon a couple of months ahead, so I will set aside $50 every month for two months to cover my hair appointment.

Don't forget to include things like nail polish, massages, or special beauty products.

DAY 4 RECAP & ACTION STEPS

ACTION STEP #1: Go through your budget and make sure it includes forgotten expenses.
ACTION STEP #2: Download and fill out the Budget Blueprint Membership & Subscription Worksheet.
ACTION STEP #3: Download and use the Budget Blueprint Forgotten Expenses Checklist. Keep it with your budget as a reminder.

Tomorrow, we are going to talk about how to organize your bills and track your expenses the easy way!

BUDGET BLUEPRINT

Day 5: How to Organize Your Bills & Track Your Expenes

Welcome to Day #5 of the Budget Blueprint Email Course! Today, we are going to talk about how to organize your bills & track your expenses.

It's important that you have an organized system for paying bills because, without it, payments can be late or missed altogether. This can result in late fees, penalties, and higher interest rates.

I'm a perfectionist and planner at heart, so to me, this is the fun stuff. I want to make sure I provide you with the tools to not only stick to a successful budget but to continue that success in other areas that affect your finances.

With that being said, let's get started!

You already completed the hard part in Day #1 & #3. Using the budget you created in Day #1 and the expenses you determined in Day #3, it's time to move on to the next step.

FIND YOUR BILL-PAYING STATION

Paying bills will be more efficient and quicker if you have a specific place where you can organize your finances and take care of your expenses. It doesn't have to be anywhere particular or huge: a small table in your kitchen, a desk in your home office, or merely a chair in your living room that has a basket to hold your bill-paying tools and supplies will work fine.

Find a place where you're comfortable, and has room to hold your bill-paying tools, and make it your designated station.

ACTION STEP #1: Find your designated bill-paying station.

BUDGET BLUEPRINT

Day 5: How to Organize Your Bills & Track Your Expenes

HOW TO ORGANIZE PAPER BILLS

Bills come like clockwork, and sometimes the paper can start piling up. Clutter can lead to stress, and that's the last thing you want to create.

When you receive paper bills in the mail, make sure you open them right away. On the bill, write down the due date, the total amount owed, and the monthly payments on the front of each envelope.

{Note} If you throw anything away, make sure there is no personal information on it. If it does, make sure to shred it at your local office supply store or bank.

I like to keep twelve 10" x 13" envelopes for each month of the year. I label the month and year on the front, and that's where I place my paper bills. I shred them after a year, making sure that I inspect all transactions and information.

ACTION STEP #2: Create an organized system to store your paper bills.

HOW TO ORGANIZE ELECTRONIC BILLS

Just like paper bills, you should open the online bill as soon as you receive the email. Confirm that you agree with all of the charges and the amount due. Create a separate folder in your email for online bills and statements. I have my folder labeled as "Bills & Statements + the year." Set a rule or forward each email notification to the appropriate folder, and make sure to change the subject line to read: Entity owed, due date, and the amount due. For example, GAP Credit Card, 5-30-2018, 89.00.

ACTION STEP #3: Create a separate folder in your email to store electronic bills and statements.

BUDGET BLUEPRINT

Day 5: How to Organize Your Bills & Track Your Expenes

FIGURE OUT WHEN TO PAY YOUR BILLS

I get paid twice a month, so I pay my bills twice a month. If you are paid monthly, then you probably pay your bills one a month. How often and when you get paid has a significant impact on when you decide to pay your bills. We are going to cover both scenarios below:

IF YOU ARE A MONTHLY BUDGETER (pay your bills once a month): When you are paid once a month you can pay all of your bills at the beginning of the month, and you don't need to worry about setting aside a certain amount from each paycheck to cover your rent or your mortgage. This can make paying bills a lot easier. However, there is a downside. It can be more difficult because it is easy to go through all of your money quickly and leave you falling short at the end of each month.

One of the things that will make things easier if you are a monthly budgeter is changing the due dates for your bills so that they all happen on the same day (either the beginning or end of the month or shortly after you get paid). Make sure to call your creditors and talk to them about changing the due date on your bills.

IF YOU ARE A PAYCHECK BUDGETER (pay your bills every time you get a paycheck): The easiest way to decide when you are going to pay your bills is by using the date(s) you get paid. I highly suggest using a calendar. It's easy to read visually, but it also keeps you organized.

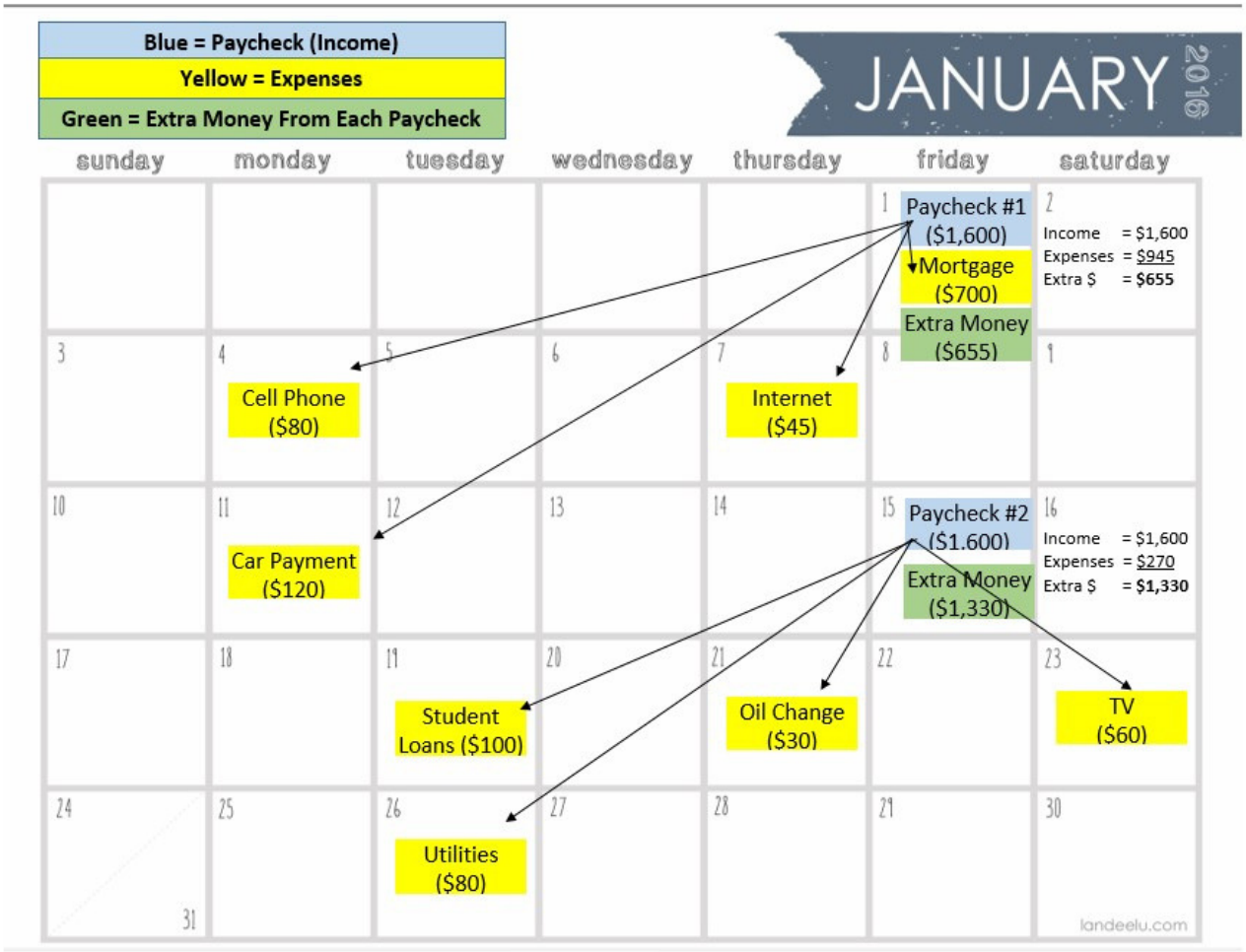
THE CALENDAR METHOD

Write down the days you get paid (and the amount) and pay your expenses based on their due date. You also need to list all of your bills (and any upcoming birthdays or special occasions) and the amount due on their due dates.

For example, I get paid on the 5th and 20th. My rent is due on the 1st, so I know I have to use my paycheck on the 20th of the previous month to make sure my rent is paid on time. My cell phone payment is due on the 15th, so I know I need to pay that bill with my paycheck on the 5th. Repeat this until all bills/expenses are listed under your pay dates. Subtract them from your income on that payday.

BUDGET BLUEPRINT

Day 5: How to Organize Your Bills & Track Your Expenes



This example gives a clear example of how the calendar method works. Any extra money you have left over from each paycheck after paying bills needs to have a "job."

Keep in mind, the bills you write on your calendar are usually fixed expenses that don't change from month-to-month. They have the same due date and are often the same amount every month. You will need any extra money to pay for variable expenses such as gas, food, clothes, and those morning coffee runs (if it's in your budget). After allocating your leftover money to a "job" (a category in your budget), you should end up with INCOME - EXPENSES = ZERO.

As you will see tomorrow, your variable expenses will be paid using cash envelopes.

Even if you decide to pay your bills only one time a month; having a visual calendar is helpful!

BUDGET BLUEPRINT

Day 5: How to Organize Your Bills & Track Your Expenes

ACTION STEP #4: Download the Budget Blueprint Bill Calendar and write down your income and bill amounts on the appropriate days.

TRACK WHEN BILLS ARE PAID

Another advantage of paying your bills according to paycheck is being able to plan for annual or semi-annual expenses (car insurance, medical insurance, or memberships). For example, if you pay your car insurance every six months, you can take the amount you owe and divide it by the number of pay periods you'll receive until the next bill is due. You can set that amount aside each paycheck until you have accumulated enough to pay the entire bill in full.

You may not realize it, but when you don't have enough money to cover a big expense or annual bill, it's usually because you earned the money in another pay period; it just wasn't set aside.

ACTION STEP #5: Download the Budget Blueprint Bill Tracker and check off the bills as they are paid.

DAY 5 RECAP & ACTION STEPS

ACTION STEP #1: Find your bill-paying station.
ACTION STEP #2: Create an organized system to store your paper bills.
ACTION STEP #3: Create a separate folder in your email to store electronic bills and statements.
ACTION STEP #4: Download the Budget Blueprint Calendar and write down your income and bill amounts on the appropriate days.
ACTION STEP #5: Download the Budget Blueprint Bill Tracker and start checking off your bills as you pay them.

BUDGET BLUEPRINT

DAY 6: How to Use Cash Envelopes

Welcome to Day #6 of the Budget Blueprint Email Course. Today, we are going to take everything we've learned so far and incorporate cash envelopes into your budget!

If you have researched how to budget, then you probably heard about the cash envelope method. One of the benefits of the envelope system is that you can start today. You don't need to save up cash to start, get one month ahead of expenses, or go out and buy fancy envelopes. It's an effective way to add cash spending to your budget, and it has changed my spending habits completely.

Let's get started!

WHAT IS THE CASH ENVELOPE SYSTEM?

The cash envelope system is deciding what categories in your budget you would want to purchase in cash rather than a debit or credit card. Keep in mind, your recurring bills (fixed expenses) are categories you don't want to include in your cash spending. It's easier to have these set up on auto-pay or paid directly using your checking account. For example, the bills you wrote down on yesterday's calendar are not expenses you will use for your cash envelopes. Doing it this way, you are not running to the bank to put cash in your checking account to pay for every fixed expense.

Do you remember the variable expenses we talked about in Day #3? As a recap, variable expenses include things like:

- Food (groceries or eating out)
- Gas
- Beauty & Health
- Entertainment (fun)
- Clothing
- Miscellaneous Spending

BUDGET BLUEPRINT

DAY 6: How to Use Cash Envelopes

HOW DOES IT WORK?

After your budget had been made (Day #1 of the course), you need to decide which categories you want to use for the cash envelope method. For me, I choose categories that I have a hard time keeping track of. My cash envelopes include gas, food, fun, health & beauty, and miscellaneous spending. Make sure you choose categories that are helpful for you.

Do you have a hard time sticking to your food budget? Creating a cash envelope for this category lets you see quickly how much you have left to spend, and once the money is gone, you know you can't spend any more. Not only do you stay on budget, but using cash and seeing how much you have left to spend, makes you think twice about how you spend your money.

Let's look at an example.

Let's assume you get paid two times a month for a total take-home income of $3,000. You budget $500 a month for groceries. When you get paid with your first paycheck of the month, you go to the bank and withdrawal $250, and put that cash in an envelope labeled "groceries."

If you pay your bills and expenses once a month, you would go to the bank and withdrawal the full $500 for your cash envelope. Take your envelope with you to the store and use the cash all month for just groceries. Once the cash is gone, it's gone. This forces you not to overspend.

You repeat this with all of the categories you choose to use for cash envelopes.

ACTION STEP #1: Using your budget from day #1, decide which categories you want to use for your cash envelopes.

HOW TO USE THE CASH ENVELOPE SYSTEM WITH A SPOUSE OR PARTNER

What happens when you have the cash envelope for "groceries" in your purse, and your husband decided to go to the store after work? What cash does he use? Let's be honest, unless you husband carries around a fanny pack, he's going to have a hard time with five cash envelopes. Things are easier when you do most of the shopping, but there are still some instances where your spouse or partner will need cash.

Create your budget together. Nothing is more important than everyone being on the same page. It's essential that your spouse or partner agrees with your budget and spending categories. The last thing you want to do is make them feel left out. The only categories you really need to worry about are things that BOTH of you spend money on daily. For example, can you split the miscellaneous cash envelope in half and give that to your partner for spending?

Communication is key, and it will take some time before you perfect the system.

ACTION STEP #2: Take time this evening to sit down with your partner. Go over your new budget and make sure everyone is on the same page.

WHAT CASH ENVELOPES DO YOU USE?

Like I mentioned earlier, you don't have to go to the craft store and spend a ton of money on fancy paper or envelopes. I started off using construction paper from my son's room, and now I create my own designs.

I have created 21 different envelope designs for you to use!

BUDGET BLUEPRINT

DAY 6: How to Use Cash Envelopes

When you're on the go, it can be hard to track your spending. For me, I like to know how much I have left in my cash envelope right away. I keep a pen in my purse and use a blank flash card to enter my spending for each envelope (like the picture above).

ENVELOPE TEMPLATE INSTRUCTIONS

- Load your printer with white paper cardstock.
- Cut out the shape of the envelope.
- Fold along the grey lines.
- Tape or glue your envelope together.

I like to use a heavier 8.5 x 11 white paper for all of my envelopes. The envelopes last longer and are more durable. I also like to use clear packing tape to tape the back of my envelopes. I'm too impatient for glue!

ACTION STEP #3: Download the Budget Blueprint cash envelopes.

HOW DO I USE THE CASH ENVELOPE SYSTEM IF I MAKE CASH PURCHASES ONLINE?

I struggled with this question for a long time. Here is the method that works best!

I use my "miscellaneous" cash envelope and an "online shopping" cash envelope. Every month I start out with an "online shopping" cash envelope. In the beginning of the month, this envelope will be empty.

When you purchase something online (Amazon Prime, etc.) use your credit card. I currently use a travel rewards credit card for all of my online purchases.

After making the purchase, take money out of your "miscellaneous" cash envelope an move it to your "online shopping" envelope.

At the end of the month (I usually take mine when I do my paycheck budget on the 20th), take your cash from your "online shopping" envelope and deposit into your checking account. For me, I then use that money to pay off my credit card.

Doing it this way accomplishes two main things:

- It ensures that you keep yourself accountable for paying off your credit card, and you know you have the money to pay it off every month.
- Using a rewards credit card can give free miles or travel benefits.

You don't have to use a credit card if you don't want to. That's just what I use so I can get my travel rewards. Paying off your credit card every month will also help increase your credit score.

WHAT HAPPENS WHEN I SPEND ALL OF THE CASH FROM ONE ENVELOPE?

The best thing you can do is practice discipline. Like I mentioned, this system is going to take some time to get used to.

If you spend all of the cash in your "grocery" envelope and need money for one more dinner until payday, move some of your money from your "miscellaneous" envelope into your "grocery" envelope. If you have cash leftover at the end of the month from some of your envelopes, move it to your "miscellaneous" envelope for the current or future months.

I highly recommend you keep a "miscellaneous" cash envelope in your system. Not only is it beneficial for online purchases, but it will give you some wiggle room in your cash spending for life mishaps or unplanned expenses.

DAY 6 RECAP & ACTION STEPS

- **ACTION STEP #1: Decide which categories you want to use for your cash envelopes.**
- **ACTION STEP #2: Take time tonight to sit down with your partner to over your new budget and spending categories.**
- **ACTION STEP #3: Download the Budget Blueprint Cash Envelopes.**