



WHERE DO I START?

Welcome to The Budget Mom! I am so happy to have you here in my little corner of the financial health world. The most common question I hear from all of my new readers is: “Where the heck do I start?!”

I know that my system can seem overwhelming at first, and it requires hard work and dedication, however, I truly believe that anyone who stays consistent can get results from my methods!

In this packet, you will find a step-by-step guide to how to apply these tools, with a free worksheet at the end of each step to help you jump-start your financial journey!

Remember, I am rooting for you every step of the way, as is the whole TBM community. Cheers to starting your financial journey!

-Kumiko Love, The Budget Mom



STEP ONE: Discover Your WHY



Emotion drives motivation. It's essential to identify that emotional connection to the reason behind wanting to improve your financial life. Once you complete this step, you will have discovered something so important: that giving up is not an option. It will light a fire in you that is impossible to put out.

- Is your WHY specific?
- How does your WHY make you feel? Identify the emotional connection.
- Is your WHY bigger than just you? How does it affect the people most important to you?

WORKSHEET EXAMPLE:

FINDING YOUR WHY

It's easy enough to say you want to make a change but keeping your sights on WHY you started is the most crucial part! When you are struggling to keep up with tracking your spending, or discouraged about your math being off, your WHY is something you can turn to for strength in your journey.

Why are you on this financial journey? Why do you want to get better with your money?

I want to live more comfortably, save more, and be debt free

Next, continue to ask follow-up questions. Why is your answer what it is from the question above. For example, if you answered the question above with, "I want to pay off debt." You need to ask why do you want to pay off debt? Keep drilling down and asking the next question.

I want to live more comfortably because the anxiety of paycheck to paycheck isn't good for my health, and I want to send my kids to college so they can be as close to debt free as possible.

	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Does your WHY evoke emotion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does your WHY effect other people that you love?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is your WHY visual?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is your WHY specific and clear?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Your WHY should be something so important to you, thinking or talking about it makes you emotional. It NEEDS to light a fire under you and it should be something you don't want to live without. Your WHY should remind you every step of the way that giving up is no longer an option. Use the lines below to write down your why. Remember, it's okay if your WHY changes along the way!

MY WHY: *My why is that I want to set myself and my family up to live financially free, to me that means as little debt as possible, and being able to save money for the future*



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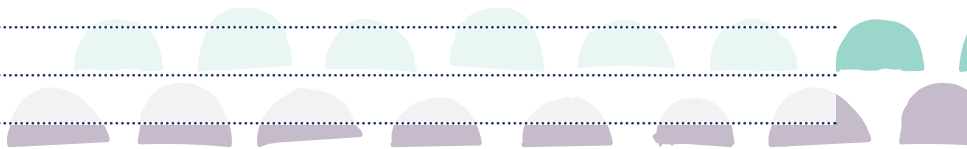
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	YES	NO
Does your WHY evoke emotion?	<input type="checkbox"/>	<input type="checkbox"/>
Does your WHY effect other people that you love?	<input type="checkbox"/>	<input type="checkbox"/>
Is your WHY visual?	<input type="checkbox"/>	<input type="checkbox"/>
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MY WHY:

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.....
.....
.....



STEP TWO: Track & Categorize Your Spending



Tracking your spending isn't just about writing down your transactions. This step is all about awareness. It's not enough to know where your dollars are going, but to understand what that spending is telling you.

- Track where every dollar is going in your life.
- Use highlighters to identify possible budgeting categories. For example, all food transactions can be highlighted blue. Try to use different highlighter colors for each category.
- Identify problem areas (leaks) in your spending.

WORKSHEET EXAMPLE:

The worksheet is titled "EXPENSE TRACKER" and "FOR THE MONTH OF: December". It features a table with columns for DATE, TRANSACTION, CATEGORY, WITHDRAW, DEPOSIT, and ENDING BALANCE. The data is as follows:

DATE	TRANSACTION	CATEGORY	WITHDRAW	DEPOSIT	ENDING BALANCE
12/2	TJ maxx				
12/4	Shop rite	Clothes			
12/7	Netflix	Food	54.82		2400.00
12/13	Target	Entertainment	132.13		2267.00
12/14	Nail Salon	Household	11.99		2255.88
12/16	Paycheck	Beauty	65.95		2189.93
		Income	50.00		2139.93
				2,000.00	4,139.93



BUDGET CALENDAR

FOR THE MONTH OF:

☛	☛	☛	☛	☛	☛	☛
☛	☛	☛	☛	☛	☛	☛
☛	☛	☛	☛	☛	☛	☛
☛	☛	☛	☛	☛	☛	☛
☛	☛	☛	☛	☛	☛	☛
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NOTES:



STEP SIX: Prioritize Savings Goals



Writing your savings goals down is important, but it's even more important to identify their importance in your life. This will give you guidance on where to throw your money to make the most significant impact in your life.

- Make a list of your savings goals. Number that list in order of importance & priority.
- Which savings goals need a sinking fund and which ones can you cash flow?
 - Cash Flow = Funding that expense with your current paycheck at that time.
 - Sinking Fund = Saving a little bit each paycheck for a future goal or event.

WORKSHEET EXAMPLE:

	DESCRIPTION	YEARLY GOAL	MONTHLY AMOUNT	DUE DATE
GOAL #1	An emergency fund of 3,000 dollars	\$3,000	\$250	12/13/2024
GOAL #2	Pay off credit card	\$1,500	\$125	12/25/2024
GOAL #3	Save for vacation next year	\$1,300	\$110	11/15/2024
GOAL #4				
GOAL #5				
GOAL #6				
GOAL #7				
GOAL #8				

YEARLY SAVINGS GOALS



	DESCRIPTION	YEARLY GOAL	MONTHLY AMOUNT	DUE DATE
GOAL #1				
GOAL #2				
GOAL #3				
GOAL #4				
GOAL #5				
GOAL #6				
GOAL #7				
GOAL #8				

STEP EIGHT: *Create Your Budget Road Map*



Creating a budget is very different than creating a realistic budget. A budget should be based on what you are actually spending, not what you WANT to spend. Your goal should not be simplicity. It should be efficiency and effectiveness.

- Budget your income every time you receive a paycheck.
- Try to create your paycheck budget at least 4 days in advance.
- List out your income. Your income should be an estimate of the worst case scenario, or the least amount you expect to receive.
- List out your fixed expenses and the amount due for each one. Fixed expenses should include minimum debt payments.
- Using the money left over after subtracting your fixed expenses from your income, write down your variable spending categories and the limit for each category.
- Using the money left over after subtracting your fixed expenses and variable expenses from your income, decide what's most important to you, and throw it to debt, saving, or investing.
- Use a zero-based budget and give every dollar a plan. At the end of your road map, income minus expenses equal zero.



STEP NINE: *Tweak & Perfect*



Tweaking and perfecting your budget isn't just about making changes in the future but also making sure every budget reflects your real life. Each budget you create should be different because your life isn't always the same.

- After each budget, determine what worked and what didn't. If something didn't work, it doesn't make you a failure, it means your process failed you.
- Evaluate your spending and make changes in small, digestible, and achievable increments.



RESOURCES



The Budget Mom also has a TON of free tools and resources for everyone to check out!

FREE RESOURCE LIBRARY

100% FREE! Find everything from cash envelopes to mindset and motivation worksheets!

TBM FAMILY FACEBOOK GROUP

Join over 130,000 members and ask your questions, get support, and cheer on others in their journey!

YOUTUBE

Here you can find Real Life Budgeting scenarios, as well as other in-depth, walk-through videos.

INSTAGRAM

This is the most active TBM platform. You can find things here ranging from behind the scenes to TBM's very own, personal-life budgeting videos.

MY MONEY MY WAY

TBM has a National Best-Selling Book, My Money My Way. There are so many free resources and tools that are available to those who have the book.

THE BUDGET MOM BLOG

I have a lot of answered FAQ's on the blog. Things ranging from recipes to holiday traditions. Don't worry, there are also A TON of budgeting articles!

BUDGET BLUEPRINT COURSE

A 100% FREE self-paced course introducing you to the Budget by Paycheck Method.

