

# Budgeting

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Kentucky Employee Assistance Program

Track Your Spending – helps to see where you need to alter your habits

## Methods

Check register

Digital check register

Paper and pen

Online websites

Envelopes / Receipts

## Expenses – Fixed vs. Variable

Don't forget annual and semi-annual expenses

Homeowners Insurance

Summer Camp

Auto Insurance

Christmas shopping

Property taxes

Auto Service

Dentist

Car tags

Eye Doctor

Charities

## Budget Breakers

Temptation

Credit / Debit Cards

Self-Soothing

Emergencies

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## Goal Setting

Spending more than you have coming in

Two options – decrease spending or increase income

Examples:

- Pay more than minimum on credit card bills
- End check advances
- Stop maxing out credit

Planning on how to spend money – more flexibility and choice

Examples:

- Savings for a new house, car, etc
- Retirement
- Vacation

Must be specific and time sensitive

Make it a family affair (For those in the second category)

Review how much things cost so children understand the concept of money and bills

Show them the budget so that they understand how the majority of the money is already accounted for

Ask them for ideas on how to cut corners and what they see as goals for the family

For those children at the appropriate age, start a savings account and create their own budgets for personal goals

Do not involve them if you are not able to present the information calmly and the financial situation is dire

Helps with motivation if your decisions impact others

Carry goals with you – ideally where you keep your money, debit, credit

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## Emergency Savings

### Part One (\$500 - \$1000)

Define emergency - an event that puts your livelihood or your family's safety at risk

How to accumulate? (see list)

Part Two - 3-6 months of spending tucked away where you will NOT spend it unless absolutely necessary, or work to improve credit score

## Ways to Improve Your Chances of Success

### Envelope System

- Use with variable expense categories
- Make a list of the budgeting amounts for a particular time period (i.e. pay period, month) and take out the amount in cash from the bank
- Store money in labeled envelopes (i.e. entertainment, clothing, eating out, etc.) and store at home
- No need to carry them with you, just take out what you need when you need it so that you are not carrying large sums around and you are not tempted to spend it
- Some flexibility because you can take from other envelopes if necessary
- Online (digital) envelope systems, but not recommended because the reason this works is you see the money disappearing and it helps to keep you honest

### Automate

- When possible have your fixed expenses paid automatically
  - Either through your financial institution or credit card (more risky because you need to be diligent about paying off your credit cards every month)
- Bucket Budgeting
  - Checking Account 1 – Fixed
  - Checking Account 2 – Everything Else
  - Savings account - Can start goal setting accounts online

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## Guidelines

### Suggestions based on the Department of Labor's data

Housing (30%), Food (15%), Transportation (10%), Utilities (10%), Debt repair (10%), Savings (5%), Entertainment (5%), Clothing (5%), Insurance (5%), Misc (5%)

### The 60% Solution

- Committed expenses (60%) - Basic food and clothing needs, essential household expenses, insurance premiums, charitable contributions, bills (even nonessentials like cable TV service), taxes
- Remaining (40%)
  - Retirement
  - Long-term savings – house, car, 3-6 months of spending, etc
  - Short-term savings (irregular expenses) – vacation, repairs, gifts, etc.
  - Fun money

### 50/30/20 – Needs/Wants/Savings

- Needs – “must-haves” that you cannot put off paying for without serious consequences (i.e. housing, utilities, transportation, food, insurance, child care, tuition and minimum loan payments, etc.)
- Wants (Vacations, gifts, entertainment, clothes, eating out, cable, internet, etc.)
- Savings – loan payments above the minimum, emergency savings and retirement

### Budgeting Templates

- <http://www.kiplinger.com/tool/spending/T007-S001-budgeting-worksheet-a-household-budget-for-today-a/>
- <http://office.microsoft.com/en-us/templates> - search for “household budgets”
- <http://www.budgetworksheets.org/>
- <http://www.bankrate.com/finance/money-guides/free-household-budgeting-work-sheet.aspx>

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## Ideas on Freeing Up Money

- Yard sale, online sale (eBay.com, Craigslist.com, Amazon.com, Half.com), consignment stores, flea markets
- Decrease gas use through public transportation, car pools, grouping errands, and walking or using a bike
- Ask about insurance discounts (good driver, good student, multiple car, etc.)
- Use one company for services
- Cash in whole life insurance and buy term life insurance
- Cancel collision and comprehensive coverage on older cars
- Use less heating/air conditioning
- Eliminate cable/satellite plan, call waiting, caller ID
- If you have a cell phone and land line, then eliminate one
- Part-time work
- Decrease the amount that you eat out at restaurants; Take lunch to work
- Go grocery shopping with a list and after you eat to minimize impulse buys or other excessive spending; Use coupons and buy generic products
- 70% of the population get an average refund of \$2,144, which could be an extra \$178 per month that could go toward bills (the Internal Revenue Service, IRS.gov, website has a calculator that helps you estimate how much should be withheld in order not to owe come April)
- Choose higher deductibles on car, house and/or health insurance – set savings aside for higher premiums

# Resources

## Budgeting Websites

[www.mint.com](http://www.mint.com)

<https://yodleemoneycenter.com>

[www.budgettracker.com](http://www.budgettracker.com)

[www.budgetpulse.com](http://www.budgetpulse.com)

[www.levelmoney.com](http://www.levelmoney.com)

[www.clearcheckbook.com](http://www.clearcheckbook.com)

[www.pearbudget.com](http://www.pearbudget.com)

## Online Saving Accounts

[www.bankrate.com](http://www.bankrate.com)

## Printable Envelope System Templates

<http://www.onegoodthingbyjillee.com/wp-content/uploads/2012/11/cash-envelope-template.pdf>

## Non-profit Credit Counseling Agencies that provide Budgeting Consultations

Department of Justice – Approved Credit Counseling Agencies

[www.usdoj.gov/ust/eo/bapcpa/ccde/cc\\_approved.htm](http://www.usdoj.gov/ust/eo/bapcpa/ccde/cc_approved.htm)

National Foundation for Consumer Credit

[www.nfcc.org](http://www.nfcc.org)

## Bucket Budgeting

[www.smartypig.com](http://www.smartypig.com)

## Educational Resources

Department of Financial Institutions – KY State Public Protection Cabinet

<http://kfi.ky.gov/public/Pages/credit.aspx>



*The Kentucky Employee Assistance Program (KEAP) is dedicated to helping employees find solutions to the personal problems that may hinder their effectiveness at work.*

Problems concerning marital, family, or emotional distress, alcoholism and drug abuse, financial or even medical issues can seriously diminish an individual's job performance. As a progressive employer the Commonwealth of Kentucky recognizes that there are positive, workable solutions to many of these problems that trouble employees.

State employees and their dependents are eligible for KEAP services. There is no cost for its information or referral services. All of your contact with KEAP is confidential as required by state and federal law. Employee involvement with KEAP is permitted on state time with the supervisor's prior approval. Supervisors may refer employees to KEAP when job performance deteriorates, however participation is voluntary.

#### **KEAP Services**

- **Assessment:** Each person seeking assistance will receive a confidential assessment with a trained EAP professional. The purpose of the assessment is to clearly identify the problem. The assessment may be conducted face-to-face or by telephone.
- **Referral:** Once a thorough assessment is conducted the EAP professional may make a referral to the most appropriate professional or resource and provide assistance in making contact with those resources.
- **Follow-up:** After making the referral, the EAP professional maintains intermittent contact with the employee to ensure that the process has gone smoothly and the needed services are being provided.
- **Crisis Intervention:** When critical incidents or workplace trauma occur, the EAP can provide crisis response. Crisis debriefings provide individuals with information about possible reactions that may follow a critical incident. A structured environment allows individuals to discuss their thoughts and reactions to the incident.
- **Grief Response:** When death affects a workgroup, KEAP is available to provide grief response groups.
- **Management Consultation:** Supervisors may consult with EAP professionals for guidance regarding employees and difficult workplace situations.
- **Education:** KEAP staff members are available for staff development training opportunities.

If you or your dependents could benefit from this assessment and referral service, call the KEAP office for more information. In Frankfort call 502-564-5788, or use the toll-free **1-800-445-KEAP** number from anywhere in the state. Kentucky State Police also have an Employee Assistance Program. They can be reached at 502-573-1719.

<https://personnel.ky.gov/Pages/KEAP.aspx>

# Budgeting Resources at the State Library

## Two options for finding materials at the State Library:

1. KDLA WorldCat Discovery: <http://kdla.on.worldcat.org/discovery>
  2. Kentucky Libraries Unbound (KLU):  
<http://kdla.ky.gov/employees/downloadingmedia/Pages/default.aspx>
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## To search for materials in KDLA WorldCat Discovery:

- Go to our homepage: <http://kdla.ky.gov>
  - Click on “KDLA Catalog”
  - In the Search box, enter the topic that interests you (or author, title, etc.)
  - Click the magnifying glass
  - You can filter your results using the options on left-hand side
  - From your list of results, click on the title of the item that interests you
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## To request an item from KDLA WorldCat Discovery:

- Click on the “Place hold” button
  - Sign In using your KDLA library account number and password
  - Choose your Pickup location: have the item delivered to you through messenger mail/UPS or pick it up at KDLA
  - Remember, we will deliver anything in our collection to you, even if you work outside Frankfort
  - Click “Submit” – you’re done!
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## Kentucky Libraries Unbound, our eBook and audiobook downloading service:

- Go to our homepage: <http://kdla.ky.gov>
  - Hover over the “State Employees” heading
  - Click “Downloading Audiobooks and eBooks”
  - Click the “Kentucky Libraries Unbound” link
  - Search for books in KLU!
  - **OR**, go directly to KLU: <http://kyunbound.lib.overdrive.com>
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**More free KDLA services for state employees:**

- Interlibrary Loan (ILL) – we borrow materials for you from other libraries
    - Submit an ILL request using our Ask A Librarian form **OR** request it through KDLA WorldCat Discovery
  - Ask A Librarian – use this service to:
    - Get help finding materials, research assistance, or just ask a question
  - To use our Ask A Librarian service, go to our homepage: <http://kdla.ky.gov>
    - Hover over “State Employees”
    - Click “Ask A Librarian”
    - Fill it out and click “Submit”
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