

## Transcript Episode 19: Basic Budgeting – Getting Started

Do you run out of money and wonder where it went? Maybe you feel like you have more month than money. If you have ever felt that way or want to prevent it, keep listening.

### Podcast Opener:

Adulting – Thinking of all the things adults have to do can be intimidating. Maybe you are realizing just how much you don't know about living on your own.

If this sounds familiar, join us today to learn the skills you need and take some of the stress out of being an adult.

This is Grown Up U, an adulting podcast to help you navigate the twists and turns of adult life. Listen and get life skills you didn't learn in school.

### Podcast Script:

Welcome to our Grown Up U podcast. I'm Alison Crane, Family and Consumer Sciences Agent for the Garland County Extension Service in Hot Springs, Arkansas.

If you wonder where did my money go? Then you need a budget. A budget is a record of your income and expenses with the goal of expenses not exceeding your income.

First, to find out what your true record of spending is, keep a list of all your expenses for a month or more. That means write down or record in notes on your preferred electronic device, everything you spend money on for the month. Also record your income-any money you take in that you can spend.

Review your expenses and put them in 2 categories-needs and wants. Needs are the things you absolutely can't live or function without. Needs include housing, food, clothing, utilities go with that... in Arkansas, a car is a need for most people and then that would include gas, insurance, maintenance. Internet. All those things are under "needs".

Wants are those things you would like to have but could live without. Wants include entertainment, fast food or maybe going out to restaurants. It could also include cable service or some of the streaming.

Also consider your financial goals. Do you have debt to pay off? Are you saving for short-term and long-term items? Are you able to manage your finances so you are financially independent, able to live on your income without going into debt?

To make a budget, you can use budget worksheets available online or at our podcast site. Terms you need to know when planning your budget are:

- Fixed expenses-expenses that stay the same-month to month-like rent.

- Flexible expenses-expenses that change month to month-like utilities.
- Total expenses-combined total of flexible and fixed expenses.
- Total monthly income-income from job or other sources.
- Disposable income-money you have left after you subtract your income taxes from your income.

For some expenses you will have to estimate. You need to designate an amount monthly so you will have the money when needed for that category. Keeping a written record or online record each month of your budget income and expenses will help you adjust your budget amounts as needed.

As you spend your budgeted amounts, you designate which category it goes in. It takes a little while keeping records, but it's worth it to get a handle on how much money you have and what you spend it on.

Financial experts agree a budget/spending plan is the most reliable way to keep up with your finances, achieve financial goals, and develop financial stability.

For more information on financial literacy including budgeting, contact your local county extension office for classes and programs in your area. Also, you can visit our website at [www.uaex.uada.edu](http://www.uaex.uada.edu) under life skills and wellness, you will find many resources for helping you develop your spending plan.

#### **Podcast Closer:**

For more information about this or any Grown Up U podcast or to learn more about Grown Up U educational opportunities, visit our website at [www.uaex.uada.edu/grown-up-u](http://www.uaex.uada.edu/grown-up-u).

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