

PEER TO PEER

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Budgeting Basics

- Money management is an important part of developing independence as a young adult. It can also impact future success and mental well-being.
- Put simply, budgeting involves calculating expenses (money you spend) and income (money you earn) and deciding ahead of time exactly how much money you will spend on different items and services. Budgeting can help prevent overspending and will ensure that money is available for necessities like food or rent.

No job? No problem!

Every individual's situation is different. You may be living independently, with roommates, or with your family, and may have a full-time or part-time job, be a full-time or part-time student, or none of the above. If you do not have regular income at this time, try having a conversation with your parents about whether they would be willing to allot you a certain amount of money each week. This way you can begin to get experience handling money responsibly without having to wait for employment.

Another option is to use online budget and money management simulations that provide financial education and experience without the risk of using real money. There are many educational videos and briefs online that give step by step instructions and tips on how to budget (see Additional Resources).



Reward yourself for your successes! If you go the entire month following your budget successfully, it may be encouraging to do something fun that you don't normally get to do, like plan a day trip, or buy something small, like a meal from your favorite restaurant or a new clothing item.



Budgeting Tips

Zero Based Budgeting	
Monthly Spending	Total Income
Rent	\$1600
Water bill	-\$656
Electric bill	-\$24
Car/gas	-\$45
Groceries	-\$120
Cell phone	-\$350
Savings	-\$105
Entertainment	-\$175
Total Remaining	-\$125
	\$0

1 Choose a Strategy

Online Visual Aids

Many online tools are available to help with budgeting. Online tools offer a variety of ways to visualize your budget. Digital apps often combine automatic calculations and easy-to-read charts into the process, making budgeting easier to keep track of and easier to see. You can also visually track personal financial goals (paying off debt, saving for a car, travelling, etc.), which can help you to be motivated and achieve longer-term goals. Some of these apps can even be connected to a bank account, so expenses are automatically entered.

2 Keep it Consistent

Once you create a budget, it can be helpful to stick to a consistent plan by saving the same amount of money each month or week and doing the same with spending. Turning your budgeting plan into a regular routine can help you remember your money management plan and become more comfortable sticking to it. Be sure budgeting becomes a part of your regular routine by using some of these tips.

- Schedule time for budgeting on a regular basis. Whether you add it to your daily schedule, a Saturday morning routine, or make it a monthly activity, by putting the task on your calendar or to-do list, you will be sure to check in with your spending and saving on a consistent basis. Adding an alert or calendar reminder in your cell phone can also serve as a cue. For a daily reminder, add it to a checklist that you reference for your everyday tasks.

Zero-based Budgeting

Financial advisors like Dave Ramsey (<https://www.daveramsey.com/>) recommend a “zero-based budget”, in which you subtract expenses from income until it equals zero. For zero-based budgeting, start by calculating how much money you earn in a month, whether that be through a part-time or full-time job, a regular allowance, or some other means. Subtract any basic needs, like groceries, rent, cell phone bill, school costs, etc. Then assign the money that is left over to other places, such as a savings account or entertainment, until the balance is zero.

Envelope System

Another strategy for budgeting is the envelope system. Put aside money for each spending category by using actual cash divided into labelled envelopes (for rent, food, utilities, transportation, etc.). This allows you to see the money that is being spent and the money that remains. This is an especially useful strategy for those who may tend to overspend despite having a budget set up on paper. By physically seeing and touching how much money is left for things like groceries and entertainment, you have a more concrete way of visualizing your available money. When the envelope is empty, spending is impossible.



If you are unable to predict your income and expenses in advance for a whole month, try budgeting in smaller chunks, like a week at a time.



- Add money management to an already established routine. You could try adding it daily to your morning routine, adding it weekly within a weekend routine, or adding it monthly to your bill-paying routine. By attaching budgeting to a task that you already do on a consistent basis, you will be more likely to stick with it.
- Ask for support from a family member or friend. Having another person to help remind and encourage you can help you create and stick to a regular routine. You can also be an encouragement and a reminder for your budget partner.

3 Watch OUT for Scams!

As you are learning new money management skills, be watchful for scams or frauds. Unfortunately, there are many financial scams both online and in person that are designed to trick people out of their money.

Be on the lookout for stories like these that sound confusing or too good to be true. If you are ever in doubt about a financial request or opportunity that seems suspicious, make sure to get a second opinion from someone you trust, like a friend or relative.

Some scams may involve:

Text/Email

Texts or emails claiming to be your bank and asking for account information like your debit card info, social security number, account login, etc.

- Be sure to call your bank's customer service number to verify emails if you are ever unsure whether an email is legitimate or not.

Check

Someone asking you to cash or deposit a check for them. It could be a fraudulent check.

Phone

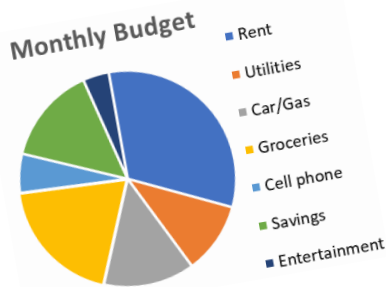
Telephone scammers calling you and:

- Asking for money for a product or investment
- Pretending to be from the IRS and threatening you with jail if you do not pay them
- Telling you that you won a lottery/sweepstakes and asking for your banking info



If possible, consider putting money aside into savings. The money can be used in the future for things like:

- **Building toward a purchasing an expensive item like a car or a computer.**
- **An investment in a retirement fund (it is never too early!).**
- **A "rainy day" fund for future emergencies that might come up, like car repairs or an injury.**



Additional Resources

In addition to this guide, there are some free educational modules on money management that can be found online.

- **Hands on Banking** by Wells Fargo teaches using videos and other visuals and utilizes interactive questions to keep users engaged.
<https://youth.handsonbanking.org/grades/high-school-course/>
- **Everfi** offers a variety of online games and educational modules across many financial topics including budgeting, banking, income and employment, and credit and debt.
<https://everfi.com/courses/k-12/financial-literacy-high-school/>
- **Autism-friendly bank website:** <https://www.regions.com/about-regions/Accessible-Banking/Autism-Awareness>
- **Additional tips** for parents by former director of the Center for Teaching and Research in Autism at Pace University and parent of college graduate, Mary Riggs Cohen, PhD:
<https://autismspectrumnews.org/financial-literacy-for-asd-college-students/>
- **Intuit Mint Budget Tracker & Planner:** <https://www.mint.com/how-mint-works/budgets>
- **GoodBudget Budget Planner:** <https://goodbudget.com/>
- **Wally Personal Finance App:**
https://www.wally.me/?dd_pm=none&dd_pm_cat=finance_app
- **Autism Speaks Financial Planning App:** <https://www.autismspeaks.org/autism-speaks-financial-planning-app>
- **EveryDollar App:** <https://www.everydollar.com/>
- **Online Bank Sim:** <http://obanksimulator.ngpf.org/index.php>
- **Build Your Stax:** <https://buildyourstax.com/>
- **Time for Payback:** <https://www.timeforpayback.com/>
- **The Stock Market Game:** <https://www.stockmarketgame.org/>



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