

Learning to save and budget can be intimidating, but knowing how to manage your money effectively can set you up for success in the future by avoiding overspending, reducing debt, and planning for future goals.

## SAVING ACTIVITIES AND METHODS

**The "Saving Jar" Game:** Set a savings goal and put money into a jar each day or week until you reach your goal. Make this game fun by decorating the jar or adding stickers to mark progress.

**52-Week Games:** This is a year-long saving game where you save a specific amount each week (\$1 through \$52). You'll end up saving \$1,378 by the end of the year. You can go in order from the lowest amount of \$1 and work your way up, or start at \$52 and save a dollar less each week. Another option is to write the numbers one through 52 on pieces of paper and randomly pick the amount per week.

**Deck of cards:** You would pick a card from a deck each week and save that amount of money. To save \$500, Jacks are worth \$13, Queens \$14, Kings \$15, Aces \$16, and the two Jokers \$30 each.

**Save the savings:** Many stores will print the amount of money you saved that visit on your receipt. Challenge yourself to put that money into your savings account. These random amounts will quickly add up.

**Round up:** Round up each time you make a purchase and save that money. For example, if something costs \$5.20, you would put \$.80 into savings.

**Track Your Savings:** Creating a visual tracker for your savings can help make saving more inspiring, and there's no limit to how fun you can make your trackers. Displaying your savings tracker somewhere you see it every day can make you feel good about your progress.

**Match your want purchases:** If you buy a meal that costs \$20, put \$20 into your savings. It will make you more conscious of what you're spending.

**Reward Yourself:** Pick a way to reward yourself when you hit milestones. For example, you could choose a small reward for transferring funds into your savings account every pay period. Or, you could pick a larger reward for every month that you meet your savings goals. For best results, choose rewards that feel like splurging but don't break the bank, like a new video game, a trip to the movies, or a set of super soft pajamas.

**Discover what jobs pay:** Ask your kids to list jobs they think they'd like to do someday. Then, have them research the average salaries for those jobs. Additionally, have them think about where they'd like to live, what education they'll need to get that job, and if they'll need to take out loans for the education.

## TRY EXPERIMENTING WITH BUDGETING MODELS

**The "Traditional" Line-Item Budget:** This budgeting method requires you to list your expected income and expenses over a specific period of time. A line item budget can have as few or as many line items as needed, and they're often categorized by type to help keep the budget organized. Then, you will have a column for expected spending and another for actual spending. Fill out the expected spending column with how much

you plan to spend on items and the actual spending column on how much you actually spend. Seeing the difference between how much you estimate and actually spend will help you plan for the future.

**The Proportional Budget:** This budgeting method requires you to identify your total income for the month and divide that up into set proportions based on how you want to spend it. The benefit of this method is that it requires less detailed tracking while still providing guidelines on spending. There are a few different ways that you could separate your money depending on what you are trying to prioritize. See the examples below:

- 80/20 rule – You budget 80% of your income for both necessities and luxuries and use the remaining 20% of your income for savings.
- 50/30/20 rule – You budget 50% of your income towards needs, 30% towards wants, 20% towards savings.

**The Envelope budget:** This budgeting method is similar to a line-item budget but simplified and usually based on using cash only. You figure out the major expense categories you need cash for, such as groceries, gas, dining out, entertainment, etc., grab envelopes for your categories, and then figure out how much money you can allocate for each. Then, take a trip to the ATM and withdraw the amount of money you'll need for the month. Divide your cash up between the envelopes. This strategy is really good for making you aware of your spending and ensuring that you can't spend more than you have, which can be easy with credit or debit cards.