



UNITED
BEHAVIORAL HEALTH

Wellness Monthly

Healthy matters to keep in mind.

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Living Within Your Means: Simple Strategies for Getting Ahead

Financial experts agree that the best way to get ahead economically is to live within your means—in other words, to spend no more than you actually bring in. But how can the average employee accomplish this while still putting aside money for larger financial goals, such as buying a home, financing an education or saving for retirement? Even in a tight economy, you can take steps to get ahead.

Make a Budget.

A budget is an analysis of how much money is earned and how much is spent. Many are surprised to learn that their income barely covers their expenses. Until you have a clear picture of where your money is going, you're likely to

find it difficult to get ahead financially. Some people are reluctant to create a budget because they are afraid it may be too restrictive. But in actuality, doing so frees you to achieve your short- and long-range goals. It allows you to be disciplined in how you

spend — and save — your money. To create a realistic budget, follow the following steps:

Step 1: Write down your disposable income, which is the amount of money you have after paying taxes.

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Keys to Saving

Be honest. Do friends and family pressure you to join in activities that don't fit your budget? Let them know. Be clear and direct about what's realistic for you.

Be creative. Rather than go to an expensive sporting event, invite the gang over to watch the game on TV. Organize a potluck. Plan an evening of charades. The most satisfying social events are often those that cost the least.

Keep reminders handy. If impulsive buying is a problem, write yourself a reminder on a note card and keep it in your wallet. A simple reminder of the big things you're saving for may help you refrain from buying lots of little things.

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Step 2: Estimate your living expenses, which generally include food, shelter, utilities and transportation.

Step 3: Subtract your living expenses from your income.

The money you have left after this equation is called discretionary income. This is the money you save or spend on luxuries, entertainment and other non-essential expenses of living. If this figure is not as large as

you would like it to be, look at your expenses. You may be surprised to find that expenses can be trimmed without sacrificing too much. (See “Tips for Paring Expenses.”)

Use Credit Wisely.

For most of us, credit cards represent a serious financial danger. Get behind on your payments and you may find yourself in a deep, deep hole. Unless you pay your entire credit card balance off each month, you could

pay as much as 27 percent interest on every purchase you make. If you must carry a credit card, be sure to charge no more than you can afford to repay at the end of the month. Shop for credit cards with the lowest rates available.

Pay Yourself First. Every budget should include a plan for setting money aside for short-term and long-term goals. The best way to do this is to pay yourself first—in other words, save a designated sum of money each month, without fail.

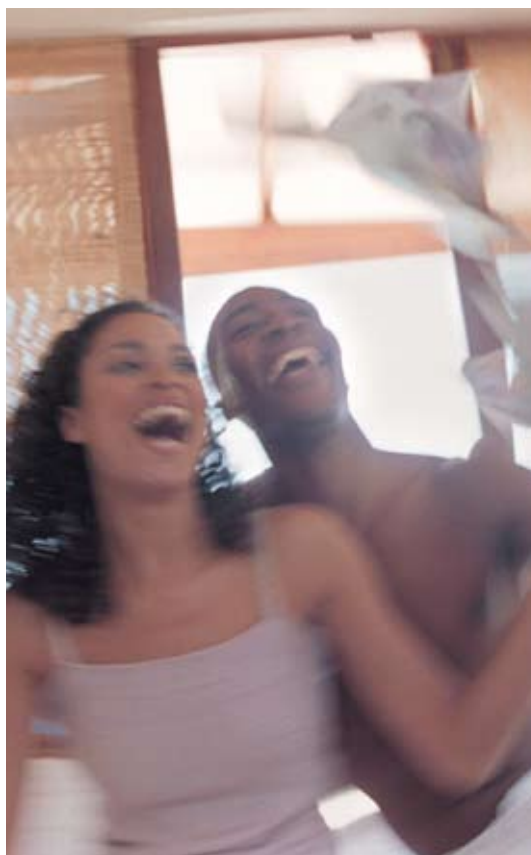
Remember, you can live within your means. Managing expenses and creating a budget may feel overwhelming at the start. For some people, financial concerns are so great they may even lead to anxiety and depression. If this is the case for you, seek support. Asking for help is never a sign of weakness or failure, especially in situations too difficult to handle alone. UBH is here to help. Call or log on for help with any of life’s challenges.

Tips for Paring Expenses

When trimming your expenses, some find it helpful to label each expense as a “need” or a “want.” The “need” category should include essential living expenses— things like food and shelter. The “want” category applies to luxury items, such as cable television or that cup of gourmet coffee you stop for each morning.

Take a hard look at these expenses. You may find that the things you label as “wants” can be replaced with lower-cost alternatives (or eliminated altogether). For instance, if you spend \$1.50 each morning for a cup of coffee, making your own at home could save you over \$500 each year.

Living expenses aren’t cast in stone either; they can be reduced. Adjusting the thermostat can bring utility costs down. Shopping for a used car (as opposed to this year’s model) can mean a lower monthly payment. Small changes can lead to big savings.



Resources

United Behavioral Health

Ask your HR representative for your access code and toll-free number.

www.liveandworkwell.com

Use the search phrase “budget basics” for more information about getting ahead with a smart budget.

Want your kids to start learning how to manage money? Use the search phrase “allowance basics” for tips.