

## EAP Newsletter – July 2024

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### Mind Over Money: Creating a Spending Plan You Can Stick To

It may not say so in the job description or on the business card, but we are all managers. We manage our time. We manage our health. We manage our households, our families and our kids (even if it sometimes seems as if they're managing us!).

Then there's our money. Anyone who has cash coming in and bills to pay needs a plan for managing day-to-day finances. Why bother? Because creating and following such a plan is rewarding to your bottom line and your peace of mind. Want to stress less about money? Want more control over your financial present and future? Want a clear idea of how much money you can afford to spend, to save and to share? Then you need a household spending plan. Here are a few keys to managing a day-to-day budget:

**Itemize.** Start by making a detailed list of income and expenditures. Income is what you earn from your job, plus money coming in from other sources, such as Social Security, stock dividends, etc. On the expenditure side, there are non-discretionary expenses (financial commitments and necessary living expenses, from mortgage, rent and student loan payments to food and transportation costs) and discretionary expenses (things you choose to spend on, such as dining out, vacations, etc.). Your tallies of the money you take in and spend over the course of a month provide the basic parameters for a spending plan.

**Find a framework for your plan.** Once you've itemized, look for an easy-to-use, readily accessible method for the numbers you'll be tracking. While you could create such a framework yourself with a pen and paper or a basic spreadsheet, a host of eminently affordable and easy-to-use online tools help you establish and maintain a spending plan via computer or smartphone. "Do whatever fits your lifestyle — whatever is easiest for you,"



advises Christine Parker, CFP®, of Parker Financial in La Plata, Md. Websites such as Mint.com do most of the heavy lifting for you. Mint.com offers a range of online personal finance tools, along with a downloadable app for the iPhone, Android, and iPad. They're useful and — here's an important consideration for the budget-minded — they're FREE!

**Choose pillars to support your plan.** Decide on a few simple commitments that will help you stick to the plan, and incorporate those into it — things like “use cash instead of credit cards whenever possible” or “pay my entire credit card balance each month.”

**Be flexible.** For example, rather than hold yourself to a specific dollar amount for a certain line item, give yourself a range. For unforeseen events (health crisis, job loss, etc.), have an emergency fund for covering costs that run beyond what your budget can accommodate, so you won't have to rely on credit cards in a pinch. Revisit and revise the spending plan as circumstances change, such as if you get a raise or have a child.

**Keep your eye on the prize.** If you find yourself straying from your spending plan, remind yourself why you pursued a household spending plan in the first place. “It's good to remember what you're trying to accomplish — what you're working toward,” explains Parker. Rather than give up on the plan, revise it so it's easier to stick to.

**Reward yourself** and members of your household for their hard work sticking to the spending plan. Establish incentives for following the plan — a new book, dinner at a favorite restaurant, an outing to the movies, etc. A modest reward can go a long way.

**Get assistance.** One meeting with a financial planner can net you a professionally prepared cash flow analysis, plus budgeting ideas you may not have considered. Visit the Financial Planning Association's national database at [www.plannersearch.org](http://www.plannersearch.org) to find a personal finance expert near you.

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# Choosing Kindness

You might not always be mindful about whether you are being kind toward others. Choosing to be kind can have far-reaching effects by putting positive energy into the world. You might make a difference in someone's day while also boosting your own mood. Here are some benefits to choosing kindness and suggestions for making it part of your daily routine.

## **Your Overall Wellbeing**

Incorporating kindness into your life can positively affect your mood, outlook, and self-esteem. Additionally, it can help lower blood pressure and stress levels. By being kind to others, you are also reaping the benefits. Don't focus too much on how others respond or expect anything in return; aim to be kind for the sake of being kind.

## **Be Mindful of How You Communicate**

When interacting with others, consider your tone of voice, non-verbal expressions, and how you are communicating overall. For example, during class discussions, you might not always see eye to eye with other students. Try to understand where other people are coming from when they have a differing opinion. Pay special attention to how you deliver your point of view. You can do so in a way that is tactful and expresses kindness and respect for your classmates. This will help to increase your empathy and connectivity with others.

## **Cut People Some Slack**

Sometimes you might get caught up in how you want an interaction to play out or how you want a situation to unfold. When it doesn't go your way, you might feel annoyed by someone else's actions. It can be easy to judge others, without knowing what they might be going through in their lives at that moment. Try to cut people some slack and show them kindness even when they don't seem to be approaching you in the same way.

## **Show Your Gratitude for Others**

Make sure to show your appreciation for others when they do something kind for you or go out of their way to help you. Other people appreciate being recognized for their efforts. It's easy to have thoughts of gratitude, but make sure you actually show and verbalize it. A big part of kindness is thanking others when they are there to support you and reciprocating when the opportunity arises. Also, this has the benefit of strengthening your relationships.

## **Being Kind to Yourself**

Consider whether you are kind to yourself most days—in your thoughts and self-talk. Some people find it more challenging to be kind to themselves than others. If you want to put more kindness out into the world, start with yourself.