

BUDGETING

cheat sheet



IN\$PIRED BUDGET

WITH ALLISON BAGGERLY

Welcome!



I'm Allison, creator of the Inspired Budget Inner Circle.

I teach you how to budget to reach your money goals WHILE enjoying your life along the way!

After paying off \$111,000 of debt on 2 teacher salaries, I've created a system to help other women reach their money goals. I know what works, what doesn't work, and how to help women make progress with their money without giving up what they love.

This cheat sheet is for you if...

- you are tired of working hard to earn money only to have nothing to show for it at the end of the month.
- you have tried budgeting before, but can't seem to make it "stick."
- you have debt and you're TIRED of sending your extra money to debt payments...you're desperate to keep more of your money!

If you're looking to write a budget that allows you to pay off debt fast, then you're in the right place!

This cheat sheet contains what you need to write a budget that allows you to meet your money goals...*even if you've fallen off track with your budget too many times to count.*

It also contains how to pay off debt fast AND save money at the same time!

Ready to get started? Let's do this!

Allison

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MAKING YOUR BUDGET WORK



THE PROBLEM:

Most people budget each month, meaning they budget from October 1st through the 31st. This makes the most logical sense but isn't the most *efficient or easiest* way to write a budget.

The issue lies in the fact that most people aren't paid on the first of each month. Instead, they are paid biweekly, weekly, or once a month on a different random day. When you budget monthly starting on the first of the month, you're likely starting your budget in the middle of your pay period which makes budgeting more confusing than it needs to be.



THE SOLUTION:

Instead of budgeting from the first of the month until the end of the month, try budgeting per paycheck. For instance, if you are paid on the 1st and again on the 15th, then you would write TWO budgets.

- Budget #1 would be from the 1st through the 14th.
- Budget #2 would be from the 15th through the 30th.

If you have a partner who is also paid on the same days, this makes budgeting even easier! For those that are paid on different paydays, it helps to "group" your paydays together based on how close they are.



WHY THIS WORKS:

Budgeting for each paycheck allows you to break budgeting up into meaningful chunks. It's easy to get off track with budgeting when you're confused, overwhelmed, or when writing a budget gives you a headache.

Instead, budgeting per paycheck is simple, easy, and straightforward. Sure, you might be making budgets more often, but this also gives you an opportunity to practice budgeting in action!

THE MOST IMPORTANT PART OF BUDGETING

If you want to move forward in your money journey, then you'll need to make sure you're aware of the MOST important part of budgeting: **having money left over to actually reach your goals.**



THE PROBLEM:

Many people make decent money, but have nothing left to show for it. Between their spending, expenses, and debt payments, ALL of their money is gone. This leaves little room for being able to pay off debt, save for things you want (like vacation, retirement, etc.), and reaching your big money goals.

In fact, 70% of Americans say their financial planning needs work. When your spending matches your income (or worse, when your spending exceeds your income), you can't mathematically make progress with your debt payoff, savings, or investing goals.



THE SOLUTION:

The ONLY way to be successful with reaching your money goals is to spend less than you make and use any extra money to your advantage. Think of it this way, right now you might be sending all your extra money to payments, loans, and everything in between. But are you sending any money to your *future self*?

Just like you need to pay your rent or mortgage payment, it's important to pay yourself as well.

But how do you do this?

You have to find **MAGIC MONEY** (as I like to call it). Magic Money is the money you pay yourself FIRST. It's the money that *turns into magic*: you invest it so it grows, use it to pay off debt, or simply spend it how you want.

But how do you find magic money? You have to start by deciding HOW much magic money you want. Essentially, your magic money should be more important than any other expense.

To have magic money, you have to live on less. Period.

We have to stop thinking this way:

$$\text{Income} - \text{Expenses} = \text{Savings}$$

And instead, think about your money this way:

$$\text{Income} - \text{Savings} = \text{Expenses}$$

**Your savings in the second equation is your magic money!*

THE MOST IMPORTANT PART OF BUDGETING



WHY THIS WORKS:

Having Magic Money each month allows you to prioritize YOU and your money goals again. When you prioritize yourself, you're saying YES to your goals and dreams.

When you think about budgeting this way, it's easy to look at certain expenses and quickly decide if they are worth taking up space in your budget...or if you'd rather have more Magic Money in your bank account.

Take time to think through your current budget. Write down your income, savings amount, and expenses. Then, think through your GOAL budget. List out these numbers as well.



CURRENT NUMBERS:

$$\begin{array}{ccc} \text{INCOME} & \text{SAVINGS} & \text{EXPENSES} \\ \boxed{} & - \boxed{} & = \boxed{} \end{array}$$

GOAL NUMBERS:

$$\begin{array}{ccc} \text{INCOME} & \text{SAVINGS} & \text{EXPENSES} \\ \boxed{} & - \boxed{} & = \boxed{} \end{array}$$

FIND MORE MONEY IN YOUR BUDGET

If you want to find more money in your budget, you'll have to do 1 of 2 things:

1. Increase Your Income
2. Reduce Your Spending

If you really want to see results with your money, you can do both!



WAYS TO INCREASE INCOME:

Below is a list of ideas for how you can increase your income, even if it's simply a temporary increase.

- ✓ Apply for a higher paying job
- ✓ Ask for a raise
- ✓ Sell items around your home
- ✓ Become a virtual assistant
- ✓ Become an Amazon driver
- ✓ Join a ride-sharing service
- ✓ Become a freelancer
- ✓ Sell Photos
- ✓ Tutor (online or in person)
- ✓ More Ideas To Earn Cash Fast



WAYS TO REDUCE SPENDING:

When it comes to reducing your spending, it's best to focus on your LARGEST spending categories.

If you can reduce your spending in the 4 categories below, you'll get the biggest bang for your buck.

1. Housing
2. Food
3. Transportation
4. Insurance

The next page includes ideas on how to reduce spending in each of these categories.

FIND MORE MONEY IN YOUR BUDGET

Below are ideas on how to reduce your spending in the 4 largest budget categories:



HOUSING

If you own your home, can you refinance to a lower interest rate to save money both monthly and in the long run?

If you rent, can you negotiate your rent price or even move to a more affordable rental?



FOOD

Can you reduce your grocery budget by just 5-10% each month?

Are you buying more food at the grocery store than you actually eat? Meal planning helps ensure that you're only buying the food you need.

Can you reduce your restaurant's budget by just 10% each month? You can still enjoy your weekly latte runs AND find magic money in your budget!



TRANSPORTATION

If your car payment is out of control, can you try trading in your car for a less expensive car? This could help lower your monthly payments significantly.

Can you save money on gas by carpooling or riding a bike to different locations? This might not be feasible for everyone, but it could help you save money overall.



INSURANCE

Spending just 30 minutes once a year shopping around for more affordable car insurance and home insurance can save you serious money. This is one of the tasks that you do once and enjoy the savings all year long.

Are you overpaying for life insurance? Consider switching to term life insurance. It's more affordable and still gives you great coverage.

THE FASTEST WAY TO PAY OFF DEBT



THE PROBLEM:

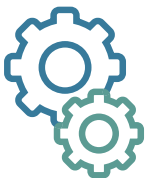
Many people start their debt payoff journey, yet give up along the way. They end up feeling burned out, lose focus, or just realize that paying off debt can sometimes be hard. Within several months, people lose sight of what they are working toward.



THE SOLUTION:

There are many ways to pay off debt. But the FASTEST way to pay off debt comes down to one thing...**the method you can consistently stick to.**

If you aren't able to be consistent through your debt payoff journey, then you'll be stuck on the crazy cycle: one where you start, give up, and start again.



WHY THIS WORKS:

Consistency comes down to discipline as well as choosing a debt payoff method that you want to follow.

Below are the two most popular debt payoff methods (choose the method that you can stick to consistently):



Debt Snowball Method:

List out your debts in order from smallest to largest balance. Pay your debt off in this order. Do not take loan interest rates into account. The debt snowball method is perfect for you if you need small “wins” along the way to keep you on track with your debt payoff journey.



Debt Avalanche Method:

List out your debts in order from highest interest rate to lowest interest rate. Pay off debt in this order. Do not take loan amount into account. The debt avalanche method is perfect for you if you are already motivated and want to save money by getting rid of your highest interest debt, like credit cards.

THE FASTEST WAY TO PAY OFF DEBT

How will you pay off your debt? Use the next space to list out your debts in order of how you would like to pay them off.

DEBT SNOWBALL

DEBT AVALANCHE

DEBT	REMAINING BALANCE	MONTHLY PAYMENT	INTEREST RATE

PAY OFF DEBT AND SAVE MONEY



THE PROBLEM:

Many people want to pay off debt AND set aside money for Christmas, vacations, and house projects. The idea of sending money to ALL of these places can make budgeting and paying off debt feel impossible.

I get it, it's easy to see that your extra money is split between so many places and therefore you aren't making progress anywhere. It's enough to make people wonder if they can pay off debt and save money at the same time.



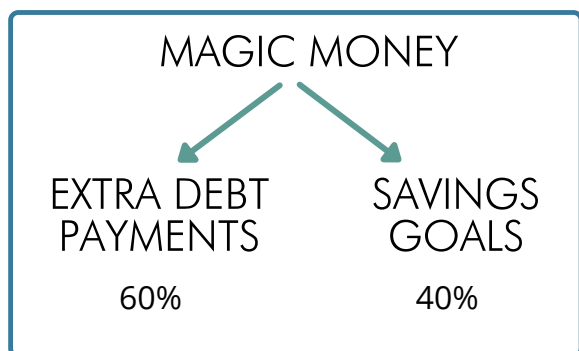
THE SOLUTION:

Saving money is important. Setting aside money in an emergency fund can actually keep you from going further into debt when life throws you unexpected expenses. The solution to paying off debt AND saving money is to find a balanced percentage that works for you.

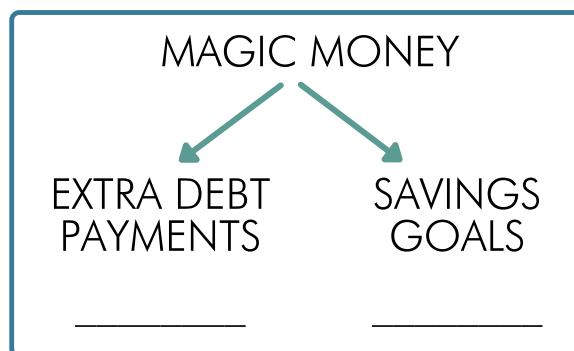
For instance, with any extra money in your budget, you could send 60% to debt and 40% to savings. That means if you have an extra \$1,000 in your budget, you would send an extra \$600 to your debt payments to make progress on your debt payoff journey and \$400 into savings for your other money goals.

Finding a balance takes time, but overall it helps you reach both your savings goals AND pay off debt. The best part? Your percentages can change over time. As you start reaching your savings goals, you might send less of your extra money to savings and instead focus on paying off debt. No matter what, paying off debt and saving money is possible when you have a balance.

Example:



What percentages will you use when it comes to your magic money?



INVESTING WHILE PAYING OFF DEBT

When it comes to investing, the sooner you start, the better off you'll be. But many people ask themselves the same question: *Should you focus on paying off debt FIRST and then invest?*

There are many opinions around this. To be honest, it's going to depend on your unique situation. Take into consideration how many years you have until retirement, how much debt you have, as well as if you have any high-interest debt. No matter what, it's important to know your options. Let's go over *some* of your options below:

YOUR OPTIONS:

- ✔ **Option A:** Pay off all your debt first, then invest. This is a great option for anyone who has a smaller amount of debt and can knock it out pretty quickly.
- ✔ **Option B:** Invest up to your 401K match (if you receive one) and then pay off debt. Your match is free money. Meeting the match allows you to invest as well as have your company contribute to your retirement.
- ✔ **Option C:** Pay off all your high-interest debt first, then invest as you pay off your lower interest debt. If you have any credit cards or high-interest debt (15%+) then you could pay that off fast and then start investing.
- ✔ **Option D:** Do both. If retirement isn't far away, then you might not want to sleep on your investment opportunities and have your money in the stock market over time.

No matter what you choose, know that you can always change your mind. And remember that the longer your money is in the stock market, *the more time* it has to compound!

RECOMMENDED RESOURCES AND TOOLS

Below is a list of resources and tools I recommend.

Anything underlined is a link you can click on to take you directly to that tool or resource.



PODCASTS:

- ✓ [Inspired Budget Podcast](#)
- ✓ [Popcorn Finance Podcast](#)
- ✓ [So Money Podcast](#)
- ✓ [Frugal Friends Podcast](#)



BOOKS:

- ✓ [The Simple Path Wealth](#)
- ✓ [Clever Girl Finance](#)
- ✓ [Broke Millennial](#)
- ✓ [Get Good With Money](#)



APPS & SOFTWARE

- ✓ [Quicken](#): Track expenses & budget
- ✓ [Credit Karma](#): Credit score information
- ✓ [YNAB](#): Budgeting app



MONEY SAVING HACKS

- ✓ [Rakuten](#): Earn money when you shop online
- ✓ [Fetch Rewards](#): Earn gift cards when you scan receipts
- ✓ [Swagbucks](#): Earn money when you shop online (\$10 bonus!)
- ✓ [Survey Junkie](#): Earn money from home by completing surveys
- ✓ [Honey](#): Easily find coupon codes to save money



ACCOUNTS & INVESTING

- ✓ [Acorns](#): Invest on autopilot
- ✓ [Capitalize](#): Easily roll your old 401K into an IRA for FREE
- ✓ [How To Build Wealth By Investing In Index Funds Course](#)
- ✓ [Ally Bank](#): Online high yield savings account

YOUR NEXT STEPS

CLICK HERE TO JOIN MY

free training



I'd LOVE to have you join my free training.

I KNOW you are determined and ready to make a change with your money...and to be honest, it ALL starts with your budget.

In my training, I'm sharing HOW to write a budget that allows you to enjoy your life AND meet your money goals. It's the exact framework I share in my membership, The Inspired Budget Inner Circle.

Click HERE to sign up for a time that works for you and I'll show you exactly how you can change your finances over the next 60 days!

See you there!

Allison