



Regions Next Step Podcast

Better Budgeting: Creating a Monthly Budget

In this podcast, Kariene Fortner, Financial Wellness Manager for Regions Bank’s North Region from Mobile, Ala., walks us through how to create a monthly budget in six easy steps.

Listen to the podcast to get insights on the following and more:

- Changing your mindset about budgeting
- Utilizing technology and tools to help budget
- Finding new and different ways to pinch pennies

Episode Transcript

Narrator:

You’re listening to the Next Step Podcast, “Creating a Monthly Budget” – part of our Better Budgeting series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals.

Kariene Fortner:

I’m Kariene Fortner, Financial Wellness Relationship Manager for Regions Bank in Mobile, Alabama.

To start off – it is so important to create and stick to a monthly budget to keep your finances in order and stay on track toward accomplishing your financial goals. While it can seem stressful and overwhelming, creating a monthly budget doesn’t have to be complicated. In this episode we’re going to go through 6 steps for budget-building success.

Step #1 is changing your mindset. The first step here is all mental. You need to first change your mindset about budgets. Rather than thinking about them as a dreaded monetary diet – look at it as a way to give yourself financial freedom.



Step #2 is comparing your income to your expenses. Once you've leaped over that mental hurdle, the next step is to compare your income to your expenses. Add up your take-home pay after deductions and taxes without including things like bonuses or tax refunds. Next, track all your expenses no matter how big or small. Do this for at least a month so that you get a realistic snapshot of your fixed and variable expenses.

Fixed expenses include bills that stay the same from month to month like rent or mortgage, insurance or loan payments. Flexible or varied expenses are ones that change each month like utilities or groceries. There are also discretionary expenses. These are unnecessary expenses, such as dining out and other entertainment costs. Add your fixed and flexible expenses, erring on the side of caution for bills that change regularly. Then, subtract these costs from your monthly income.

Step #3 is utilizing tools and technology to help you budget. There are so many high-tech and low-tech tools that can help you to budget and it is just a matter of which one works best for you! For instance, Regions' budget calculator can help you categorize and track spending for budgeting purposes. There are additional online budgeting tools available from Regions, Quicken®, QuickBooks™, and Mint®. Regions also has My GreenInsights®, a free online tool for customers that uses simple charts and automatically categorizes expenses to build your budget and track cashflow.

Even a simple Excel spreadsheet template may offer categories like housing, food, education and transportation for budgeting purposes.

Step #4 is deciding what you really want. You must set short-term or long-term priorities for your unnecessary purchases and decide what you really want. This helps you to avoid impulse spending that will sink your budget. Remember what we said earlier about changing your mindset about budgeting – if you cut out all of the fun your budget will once again feel like it's impossible to adhere to like a strict diet. So, leave yourself some financial flexibility for some fun.

Step #5 is to find ways to pinch pennies. If your expenses start to exceed your income, it's time to start looking for ways to pinch pennies and become a really smart saver. This can mean starting to pack your own lunch, buying generic products over brand names, dropping premium cable channels, going out to eat less, borrowing outfits from friends and shopping sales or thrift stores. All of these will help to decrease your expenses and get you back on track with your budget.

The 6th and final step is to switch your budget to autopilot. Switch your budget to auto pilot by setting up direct deposit for your paychecks, with percentages funneled to savings and bill payment accounts to keep funds off-limits. Automatic billing can also help you avoid late payment fees.



Narrator:

That concludes today's Better Budgeting podcast. You can find additional information about budgeting and more online at www.regions.com/nextstep. No matter your goals – Regions will help you with each step you want to take. Thank you for listening.

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