## Use psychology to **BUILD A BUDGET** you'll stick with!



IT'S TIME TO RETHINK

"bad", but they will often contradict each other.

## Rather than trying to follow all of the expert advice, start by losing the desire to classify everything as "good" and "bad". Instead, just remember these three steps.

Notes Prioritize Track



next few years? with categorizing your expenses It could be your dream to train for a new career, You shouldn't prioritize have an adventure in a what you think you "should" be saving up forforeign country, start your own business or do not let other people's

writing a few things down.



What do you want your

life to look like over the

buy a house, save for retirement". WHY PRIORITIZING WORKS Prioritizing your goals gets you buzzing about what your money can do for you. There are a couple of

You are asserting your

beliefs and your values

You are reminding yourself

Ask

yourself

what you

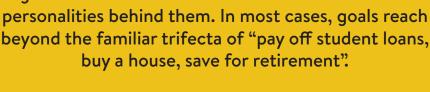
want

Grab a

pencil and

paper

**PAPER** 



priorities define your goals

Prioritizing your goals

should not be confused

motivating factors at work here. It reminds you that you're in charge—that you

have a say in where your

money goes

the life you want

Write the

answers

down

Realize

your

goals are

achievable

**ENVELOPES** 

into envelopes

of why you're willing to adopt a budgeting system Social scientists point in the first place to autonomy as being a critical element to

Studies show that you're sustain motivation more invested in activities that reflect your personal It's powerful to realize values—this is what that your budget is a generates stamina and collection of choices you determination make in order to create

**GET STARTED** 

**Think** 

about it

for 10

minutes

STEP 2

**TRACK** 

## Tracking your expenses means being aware of where your money

is going as you spend it.

IT'S TOTALLY UP TO YOU

**APPS** 

Some swear by Others like to use Some gravitate to tracking their budgeting apps on unique approaches expenses with good their smartphone like portioning their ol' pencil and paper or spreadsheets on spending money

their computer

When you track your expenses, a couple of things will come to light.

You start to realize The second thing you'll that every transaction, notice is that the longer no matter how big or you've been tracking how small, is either your expenses, the more contributing to a goal or you'll see evidence taking away from it of your progress

## WHY TRACKING WORKS Another critical element in sustaining motivation is

competence, or your ability to do something well. We thrive on being reminded that we're improving.

Tracking your expenses helps you to identify your spending patterns and to course-correct when necessary

By tracking your spending, you're also tracking your effort—you're creating a record of your progress along with a record of your transactions

Before long, you'll have tangible evidence of how your actions and your follow-through are contributing to a calmer, happier financial life

You'll see how capable you are of budgeting and you'll find it easier to keep your budgeting winning streak going

**GET STARTED** Don't spend Browse the App Store much time

Time-based Material rewards Fancy coffee, movie night, Use budgeting app every day for 30 days new gadget

WHY REWARDING WORKS

Quite simply, rewards feel good. Rewards highlight our achievements and renew our commitment.



**Achievement-based** 

Pay off all credit card debt

Increment-based

Emergency fund reaches

\$500, \$1,000, \$2,000



those gold star stickers

Although that familiar

achievement/reward

structure practically

disappears in later years, it doesn't mean that

rewards are any less

effective in adulthood

Set a timer After the for 10 time is up,

**GET STARTED** 

milestones and a list on track of possible rewards When you reach your milestones, claim your rewards!

Brainstorm

a list of

budgeting

should minutes to celebrate assign the keep yourself rewards your efforts to your and be milestones exciting to work toward

Incorporating Prioritize, Track, Reward into



Rewards

**BROUGHT TO YOU BY** 

your budgeting method of choice will boost

Cornerstone

your motivation while tackling your personal finance goals at the same time.

Try out a new budgeting system today or the web, comparing budgeting or pick up a book approaches STEP REWARD Rewarding yourself means encouraging and celebrating your progress as you create healthier financial habits. MILESTONES REWARDS

Just pick one and try it out

Time- and experience-

based rewards Give yourself permission

to spend an entire day

just vegging out

milestone creates added incentive and boosts

your motivation

When you earn, claim and

enjoy a reward, your

brain gets an extra hit of

dopamine, which increases

your focus and drive