

A Tech Savvy Approach

Where did the money go?? Are you at a loss as to where your money is spent? We agonize over increasing our income yet we spend relatively little time understanding precisely where it is spent. Research shows that people accurately identify their income yet under count actual expenses. When shopping on-line, people “severely underestimate” their spending, according to OpenUp, a behavior research group.

For budgeting of any kind to be effective, most financial experts recommend 1 - 2 months of manual income and expense tracking. Why? Studies show that the brain retains more information when we write, versus type, information. Writing engages motor skills and a collection of links around the brain. After you complete manual tracking, so you understand your inflows and outflows, then you may find budgeting apps helpful.

Numerous free budgeting apps exist. To determine a suitable app, identify your objective first. Is it to simply understand where your money is being spent? If this is your goal, try an app such as “Goodbudget” which digitally recreates the envelope system. Is it to integrate your banking information and budgeting information for an in-depth financial picture? If so, try “Mint” which links to your banking information. For those interested in upgrading, “You Need A Budget” costs \$5/ month and allows for expense uploading, in lieu of manual inputting. Whatever method you choose for budgeting, whether manual or on-line, the key is USING IT.

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