

# MTT Top 5 Forgotten Budget Items

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## Terri

In today's tip, we will expose the top five forgotten budget items most people don't include in their monthly budget. If you like to budget but fall short every month, you may be missing these items too.

I'm Terri with today's money tip from the Making Money Personal podcast.

Budgeting is a very important component of a strong financial position. And we've talked a lot about it during this podcast. We try to cover everything in our budget, but if you're like a lot of people, it seems that we always forget about something during the month.

These missing items can throw our budget into a tailspin resulting in a couple of detrimental outcomes. Number one, you end up with a deficit budget, meaning you have overspent or number two, the emotional toll of missing your mark can lead to a lot of frustration. And in some cases, you simply don't want a budget anymore. After all, if you can't meet your goal, why bother? But take heart! It takes three to six months to get the budget thing right. And even then, there may be months with unexpected expenses.

If you've experienced some curveballs in your budget, be assured that you're doing the right thing because you're keeping track each and every month. Also be encouraged because we all face this frustration at one time or another. To help with your budget, we've created the top five forgotten budget items that may be helpful in keeping you on track. With the assistance of our podcast hosts, Liz and Wil, let's take a moment to go over the list so that you can make sure that these items are in your budget every month. Hey, Wil and Liz, how you doing?

## Liz

Good, Terri.

## Wil

I'm doing very well. Thank you, Terri.

## Terri

Are you ready to talk about the five forgotten budget items?

## Liz

Yes, let's do it.

## Terri

Alright! Number one, home office supplies. Now let's be honest, our home offices have never been busier. Whether the new occupants are parents working from home or students doing homework and those last minute school projects. With the transition of so many now working remotely, make sure that your home office is equipped with the basics. Perhaps the most costly item is your printer cartridges. Printer cartridges run about \$120 to \$140 and may last for six months, depending on the amount of activity. But what about those pens, paper, staples, etc? If you think that these types of supplies don't add up to a big expense, then think again. On average, the back to school supply list is about \$90 per child. So even the small things like pens, paper, tape, staples, can affect your monthly budget. Here's what we recommend. Inventory what you use on a monthly basis to determine what your monthly costs are. And then make sure to add this as a new item on your budget.

### **Liz**

The next forgotten budget item is hobby costs. This one may be a bit of a sting, especially to couples. Hobbies can steal time away from relationships and resources away from your budget. While it's important for everyone to have a hobby, make sure you can account for any expenses that are incurred in your monthly budget.

### **Wil**

The next item is car registrations. Whenever we talk about budgets on this show, we talk about vehicle costs that are typically in the form of a loan payment, maintenance, or even replacement costs. But rarely do we mention the expense of annual registrations. Depending upon the weight and age of your vehicle, your registration can blow your monthly budget. The good news is that registrations are annual, so the hit is only once a year. Be prepared. If you haven't changed your vehicle, you can easily prep for this now. Simply check your costs from last year and allocate a monthly expense based on what you paid. For example, if your registration was \$260 for town in state fees, divide that amount by 12 for a monthly allocation of \$22 a month. This doesn't seem like a big expense, but if you have multiple vehicles to register, this expense can really add up and be a hit on any budget when they come due.

### **Terri**

Number four are annual memberships. If you enjoy the modern conveniences of life, most likely you have some form of a membership. Examples of annual memberships include AAA, Sirius XM, Amazon Prime, gym memberships, Costco, BJ's, Sam's Club, the list goes on and on. All of these memberships aren't huge expenses, but when you add them up, they can be a pretty big overall expense. To plan for your memberships. Make a list and itemize when they are due. If you can't live without them, then keep them but make sure that you add it to your monthly budget. If it's an annual expense like prime, make sure you prorate it over the course of 12 months to get an accurate cost of membership for each month.

### **Liz**

Number five special occasions. We usually have time to prepare for special occasions. Sometimes we know as far as three months, six months or 12 months in advance. Take a moment to think about the special occasions that will involve you or your family over the next 12 months. Do those occasions require airline tickets for a wedding? New dresses or shoes for prom? Gifts? While it is an honor to be asked by a loved one to be part of their wedding, the expenses can really add up. We recommend you plan accordingly. Let's take the wedding as an example. You've been asked to be a bridesmaid. That's

awesome! What does that require? A new dress, new shoes, possibly new accessories, helping with the bridal shower, the bridal brunch, the bachelorette party, and don't forget about your own gift for the newlyweds. Once you have the list, make a line item on your budget for this special occasion. Yes, it's important to be supportive of your friends and family when they ask, but don't be a hero. Don't sign up or buy into super crazy ideas if your income and budget can't support it. If you get to that point, have a heart to heart with those involved and respectfully address the issue that while you want to do all you can do, you have limited resources.

**Terri**

Well, that pretty much completes our top five forgotten budget items and our tips to make sure that you include all of these items in your monthly budget. Thank you, Liz and Wil for helping us out in that.

If you have any additional items that we may have missed, or tips that could be helpful to our listeners, let us know at [tcupodcast@trianglecu.org](mailto:tcupodcast@trianglecu.org), or look for Triangle on Facebook, Instagram, LinkedIn, and let us know what you think and share your thoughts.

Thanks for listening to today's money tip, and be sure to check out our other tips and episodes on the Making Money Personal podcast. Have a great day!