

# Budget Lengths

Using a variety of ways to plan out spending and track expenses can help ensure financial goals are met successfully. Each different type of budget serves a purpose and can be used in different ways.

## Yearly Budgets

Yearly budgets are a great way to plan out what expenses will look like for the entire year. Beginning with a yearly budget helps plan unique financial needs which occur less frequently than monthly expenses. Yearly budgets look at the year as a whole to provide a full financial picture allowing to plan for financial goals. Additionally, reviewing a yearly budget at the end of the year can be used to assess how well financial goals were met, identify unexpected expenses or financial challenges and provide insight into how to improve the budget for the following year.

A yearly budget should include:

- Annual reoccurring expenses (credit card premiums, annual subscriptions, car insurance payments)
- Charitable contributions
- Gifts for special events throughout the year
- Planned vacations and travel
- Any financial goals for the year

## Monthly Budgets

Most bills and income are allocated monthly. This makes a monthly budget a great way to organize a plan for how to allocate income.

Monthly budgets should include:

- Expenses included in yearly budget, divided into monthly increments
- Monthly bills (phone and cable bills, rent or mortgage and utilities)
- Living expenses
- Savings
- Monthly reoccurring expenses (gym memberships, streaming service subscriptions)

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## Weekly Budgets

Tracking expenses is easier to do week to week, particularly for discretionary spending. By limiting a budget, the number of transactions needing to be documented will be less, making it easier to manage. While a weekly budget may be too granular to effectively plan long-term ways to meet financial goals, carefully keeping track of day-to-day spending helps establish good practices for financial responsibility. Additionally, using a weekly budget to track spending can also help ensure any charges made to credit cards are accounted for and paid off in a regular and timely manner.

Weekly budgets should include:

- Discretionary spending and living expenses (dining out, groceries, clothing purchases and entertainment)