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OKMMTM OUTLOOK

OKLAHOMA MONEY MATTERS

July 2023

Your go-to resource for timely personal finance education, resources and services

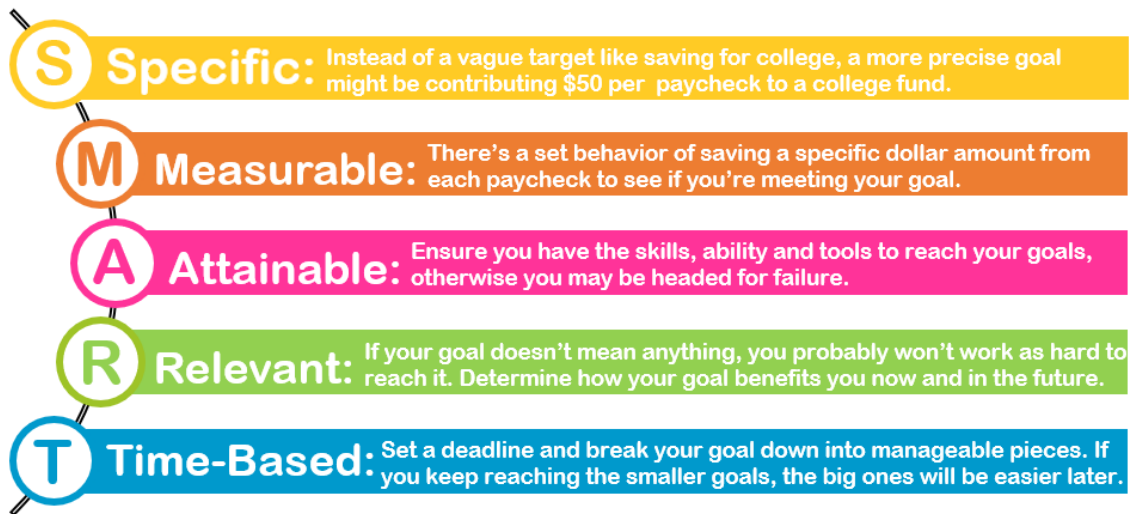
July National Financial Freedom Day

National Financial Freedom Day is observed on July 1 every year to raise awareness about financial independence. If you ask people what "financial freedom" means, they'll give different answers – some more defined than others. Financial freedom, for many, means you're in control of your finances and life choices. To others, it is retiring early or saving enough for their children's education. Many individuals in the United States are frustrated working overtime or two jobs and still not feeling financially confident. Still, more feel boxed in and don't have any control over their choices due to a lack of financial security. Below, review some tips that can help you understand how to reach your financial goals.



Tip #1: Set SMART Financial Goals

Everyone has financial goals they want to reach, whether saving for a down payment on a home, paying for college or retiring early. Here's how to make sure your goals are **SMART**.



Try out the SMART goal steps using this [worksheet](#).

Tip #2: Create a Budget or Spending Plan

Financial success hinges on creating and sticking to a budget. A budget, also called a spending plan, allows you to plan your monthly expenses and track where your money goes.

- **Know your monthly income.** Income can come from a paycheck, child or spousal support, or unexpected cash in gifts, tax returns or rebates. If your monthly income varies because your work hours change or you earn a commission, build your budget using your base salary or the average of your last few months' worth of paychecks.
- **List your financial responsibilities.** Tally the bills and expenses you have each pay period and how much they typically cost. Don't forget to include irregular expenses, like insurance premiums or property taxes. Fixed expenses are easier to track because they stay the same monthly — like mortgage, car or student loan payments. Variable costs, like groceries, fuel and entertainment, are trickier because they change monthly. Include saving as a financial responsibility; pay yourself *first* before paying bills.
- **Track your spending.** Monitor your variable expenses to make planning easier. Keep your receipts and write down all transactions for one month to get an accurate picture of your spending habits.
- **Categorize your spending.** Next, pull out your receipts and lists of financial transactions and lump them together in like categories. You'll probably see groups form for dining out, entertainment, clothing, household maintenance, groceries, etc. Create spending categories and assign each a monthly amount based on your current spending.
- **Do the math.** Subtract predicted expenses from your projected income. If you're over budget, refine some variable expense categories and try again. After implementing your budget for a month, adjust your categories or spending accordingly to better meet your needs.

To begin a spending plan on a positive note, check out these [budgeting success tips](#).

Tip #3: Pay Off Debt

If debt reduction is your financial goal, the debt snowball method is an effective way to quickly pay off your balance. Before you can craft your snowball, there are three things you should know:

- The success of the debt snowball depends on dedicating extra money to pay toward your debt. Find extra money by cutting cable TV, limiting eating out or earning extra income. Do what you can to aggressively attack your debt.
- Since tackling debt requires a behavioral change, aim for quick results by first paying off your smallest debt. This helps you feel a sense of accomplishment and motivates you to continue the process.
- The extra money you allot to debt reduction will be added to the minimum payment on your smallest debt. Pay this increased amount while paying the required minimum on all other accounts.

You can check out the details of the Debt Snowball method [here](#).

Remember, the journey to financial freedom is a marathon, not a sprint. If you're interested in getting started, visit our [website](#) for more helpful resources.

Financial Friday

Check out July's edition of [Financial Friday](#), Oklahoma Money Matters' online personal finance question-and-answer forum. This month, we answered a reader's question about student loan repayment.

As always, if you have money-saving tips you'd like to share, send us an email at OklahomaMoneyMatters@ocap.org or [submit a personal finance question](#) for a future edition of **Financial Friday**.



MAKE IT COUNT WEBINAR SERIES

Mark your calendars for upcoming OKMM 'Make It Count' webinars on the third Tuesday of every month. Join us for August's presentation: Living on a college budget. Financial success hinges on creating and following a personal budget, especially during college, when minimizing expenses is so important. A budget, also called a spending plan, allows you to organize your monthly expenses, track where your money goes and work toward financial goals. Finding a method that works for you is essential.

We invite you and your students to join us on **Tuesday, Aug. 15, at noon** as we explore the basics of setting up a successful budget and cost-saving tips for living on less while you're in college. Register to attend here: <http://tiny.cc/OKMMWebinarAugust2023>.

Training Opportunities

We offer webinars for educators, students and parents on budgeting, saving, credit, and more. To schedule an event, please complete our workshop form and we'll contact you to plan the details.



Have specific questions about OCAP's services or resources?

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