



FINANCIAL SYMMETRY

Financial strategies for every phase of life

What is Mint.com and why should I use it?

Mint.com is a free, online account aggregation tool that can help you plan, manage and stick to your budget. Setup is quick and easy—you can expect to have your accounts linked to Mint within a couple of minutes! Security is good, being at or above most institutional banking websites. Mint never asks for your account numbers, name or other personal identification information. Money cannot be accessed, moved or transferred within Mint, and all data stored at Mint is backed by bank-level data security protections.

How many categories should I use and what are they?

Some common problems we see are trying to over-categorize and coding a large amount of regular expenses as one time occurrences. Simplification should be emphasized when creating your budget and categorizing each transaction. We recommend using the following categories in a combination that fits your household:

- Auto & Transport
- Bills & Utilities
- Food & Dining (Groceries, Restaurants, Coffee Shops)
- Gifts & Donations
- Travel (Vacations, large trips)
- Everything Else (Cash, Fun, Church/Charity Contributions)
- Food (Dining Out, Alcohol, Groceries)
- Debts (Mortgage, Equity Line, Car Payments, Credit Card or Student Loan Payments)
- Education (Books, Private School, College Tuition)
- Health & Fitness (Gym Membership, Doctor Visits, Prescriptions, Insurance)
- Home (Maintenance, Home Improvements, Furnishings)

From these basic categories, you can create future sub-categories, but it is important to keep the bigger picture in mind when monitoring your expenses. Keeping broad categories may also help speed up maintaining the data that Mint is able to aggregate between your accounts.

Should I be trying to hit the same number every month?

Comparing expenses on a monthly basis can be another source of frustration as there are many fluctuations that occur throughout the year (Holidays, Summer Vacation, etc.). Therefore, it is important to measure your progress against a rolling year period. For example: If the month of May has just ended, you will want to measure June 1st of last year to May 31st of this year against the calendar year amount of your budget. If the amount is more, then you know you are a little ahead of pace and you should scale back. Performing this exercise monthly or quarterly can greatly improve your overall financial picture as it allows you to have greater control over your regular expenditures.



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Ongoing Tips for Budgeting:

- Budgeting software often has trouble correctly categorizing a few expenses, specifically towards the beginning of use. Take a quick look at your transactions and identify and correct those that are mislabeled. If you are using Mint.com or an online version of Quicken, be sure to take advantage of their easy to read 'trend' or reporting sections. You can see where you've spent money over specific categories in charts that allow you to drill down to the transaction level, helping to spot inaccuracies. If you are not using budgeting software, compiling data from your receipts and statements will be a good way to get started. Remember, you are trying to identify where your spending money and look for ways to reduce spending, if necessary.
- Revisit the items you have budgeted. Now that you have been tracking for a few months or longer, are your budgeted items realistic? Maybe some adjustments need to be made to common expenses like household utilities, food and dining (eating out busts most budgets), transportation costs (including gas and regular maintenance), and discretionary (misc. spending).
- It is common for your expenses to fluctuate over time and for some expenses to occur only during parts of the year. Some items, like car insurance, homeowner association dues, and professional fees may be paid quarterly or semi-annually, so be sure to include those expenses in your budget now.
- If you are spending more than your budgeted amount on a regular basis, take some time to plan out ways to reduce your spending. Little things like taking your lunch to work once or twice a week, making coffee at home, or planning errands around one trip can all add up over time.
- Have you had any lifestyle changes that should be reflected in your budget? A home purchase, renovation or new child can increase (or decrease) spending and should be accounted for. Adding new expenses to your budget while taking time to review your overall spending picture can help set you back on track.