# *Budgeting* BASICS

IT'S A MONEY THING™

When setting up a budget, it's easy to list all your major expense categories, like your rent or your student loan payment. The tricky part is keeping track of all those little extra expenses—the ones that most people forget to include in their budget in the first place.

## 5 SNEAKY EXPENSES TO KEEP ON YOUR RADAR

## MAIL-BASED SUBSCRIPTIONS

*Subscriptions that get delivered to your door and that tend to renew annually:*

- **Magazines**
- **Personal shopping services**
- **Gift-of-the-month clubs**

### WHY IT'S SNEAKY

It's a new trend that many people aren't used to including in their budget. With everything from designer shoes to pet toys available for monthly delivery, it can be difficult to categorize subscription expenses.

### HOW TO BUDGET FOR IT

If your subscription renews annually, figure out when the renewal date is. Then divide the cost of the annual subscription by the number of months until the renewal date—that's how much money you'll need to put away each month to keep that subscription going.

## DIGITAL SUBSCRIPTIONS

*Digital media (movies, music and ebooks) that you access online and that tend to renew monthly:*

- **Media services like Netflix and Spotify**
- **Ebook access like Kindle Unlimited**
- **Tutorial sites like Lynda.com**

### WHY IT'S SNEAKY

Digital subscriptions are convenient and in many cases more affordable than purchasing individual albums, movies and books. That said, the total cost can add up pretty quickly if you're subscribed to several services at once.

### HOW TO BUDGET FOR IT

Online subscriptions are often pretty flexible—you can usually cancel and restart them at any time.

Take advantage of this flexibility by grouping your digital subscriptions together within your budget.

If you need to free up an extra $30, it might be easier to hit pause on a couple of entertainment-related subscriptions than to squeeze that money out of another category.

**SAVINGS TIP**

*Public libraries have been upping their game—many offer free access to ebooks, digital magazines and professional resources.*

## GIFTS

*Special-occasion purchases for family and friends:*

- **Presents and gift certificates**
- **Greeting cards and postage**
- **Little extras like gift wrap and balloons**

### WHY IT'S SNEAKY

Birthdays and holidays are simple enough to budget for, but other occasions can take a big chunk out of your gift-giving budget—especially when you start getting invited to weddings and baby showers.

### HOW TO BUDGET FOR IT

Come up with a set amount per type of gift (e.g., $20 for a friend's birthday, $100 for a family member's Christmas present) and stick to it. It might seem limiting at first, but it makes it easier to anticipate how much money you need to budget for gifts in any given month.

Some months tend to be more gift-heavy than others—wedding season and winter holidays, anyone? Setting aside an annual amount can be a good strategy.

**SAVINGS TIP**

*Use your DIY skills to reduce gift expenses—shop in advance, compare prices, and take advantage of online deals and free shipping offers.*

## NON-PRESCRIPTION HEALTH STUFF

*The kinds of things you pick up at the drugstore:*

- **Vitamins and supplements**
- **Cough and cold medication**
- **Eye drops and allergy relief**

### WHY IT'S SNEAKY

Non-prescription health stuff is tricky to categorize since it's not exactly health care, not exactly toiletries and not exactly a frivolous expense.

### HOW TO BUDGET FOR IT

It's probably best to give these expenses a category of their own. Regular purchases (think eye care or vitamins) should give you an idea of how much money you need to set aside each month, but consider contributing a little extra to cover those less-frequent purchases (like cold medication).

**SAVINGS TIP**

*Combine in-store offers with manufacturer coupons (found in the weekly flyer or online).*

## CROWDFUNDING

*Campaigns, projects and products you contribute to online:*

- **Kickstarter campaigns**
- **Indiegogo projects**

### WHY IT'S SNEAKY

Crowdfunding is a very new type of expense, and depending on the type of project you're contributing to, it can feel more like a charitable action than a pre-order for a new product.

### HOW TO BUDGET FOR IT

At the end of the day, your crowdfunding dollars are discretionary income. If it's an occasional expense, take it out of your fun money. If you enjoy backing projects regularly, treat crowdfunding like you would a hobby and give it its own category within your budget.

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