



Bank on your success™ Special edition
Budgeting during a crisis
participant workbook



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Truist Purpose

Inspire and build better lives and communities

Mission

Client

Provide distinctive, secure, and successful client experiences through touch and technology.

Teammates

Create an inclusive and energizing environment that empowers teammates to learn, grow, and have meaningful careers.

Stakeholders

Optimize long-term value for stakeholders through safe, sound, and ethical practices.

Values



Trustworthy

We serve with integrity.



Caring

Everyone and every moment matters.



One Team

Together, we can accomplish anything.



Success

When our clients win, we all win.



Happiness

Positive energy changes lives.

Budgeting during a crisis

Join us for a special edition of Bank on Your Success focused solely on “Budgeting During a Crisis.” This interactive session will provide you with the tools you need to assemble a crisis budget and provide you with valuable take-away resources to help you and others.

Click here to access Money and mindset and the crisis budget worksheet.

Description

Due to unprecedented times, we’ve amended our traditional Budgeting Basics module to provide a special edition version that focuses solely on “Budgeting During a Crisis.”

While every individual situation is different, our goal is to provide you with crisis-budgeting best practices, ideas on creative income streams and information about resources available to help you during this time.

Agenda

- Why budget?: In and out of crisis
- Creating a crisis budget
- Identifying expenses (Money going out)
- Identifying income (Money coming in)
- Cost cutting
- Creative income creation
- Resources to help
- Looking to the future

Why budget?

There's always a need for planning, whether you are in a crisis or not. Budgeting allows you to have a clear understanding of your financial picture. That clear understanding enables you to make informed decisions about money and prioritize your spending and saving.

Creating a crisis budget

Budgeting when your income has stopped or is in jeopardy is different than regular budgeting. Instead of starting with your income and budgeting every dollar, determine the minimum needed to survive and then do all you can to find enough monthly income to cover those necessities. If you have any extra income this month, save it for future months.

Step 1: Identifying expenses

Step 1: Identifying expenses

Must-have fixed costs

Identify expenses that you absolutely need that are the same amount each month. While it may be tempting, it's best not to stop essential insurance coverage.

Must-have variable costs

Identify expenses that you absolutely need, but where the amount changes each month. This is the category that can easily get out of hand. Consider dividing groceries into weekly amounts and use cash to avoid overspending.

Debt payments

Do your best to make all your regular debt payments. Be proactive and call your creditors to see what payment relief options they may offer.

Happiness survival

While money may be tight now, give yourself some room to spend a few dollars on something that will bring you joy. Even a small treat can be nice to look forward to.

My expenses

| Expense type | | Weekly | Monthly | Yearly |
|-----------------------------|---------------------------------|--------|---------|--------|
| Must-have fixed | Housing (Rent/mortgage) | | | |
| | Health insurance | | | |
| | Life insurance | | | |
| | Car insurance | | | |
| | Other insurances | | | |
| | Other | | | |
| | Other | | | |
| | Total must-have fixed | | | |
| Must-have variable | Electricity | | | |
| | Natural gas | | | |
| | Basic phone plan | | | |
| | Groceries | | | |
| | Gas for car | | | |
| | Childcare | | | |
| | Necessary clothes | | | |
| | Other | | | |
| | Other | | | |
| | Total must-have variable | | | |
| Debt payments | Auto loan | | | |
| | Student loan | | | |
| | Credit card | | | |
| | Other | | | |
| | Other | | | |
| | Total debt payments | | | |
| Sanity expenses | Video streaming service | | | |
| | Personal spending | | | |
| | Other | | | |
| | Other | | | |
| | Total sanity expenses | | | |
| Expenses grand total | | | | |

Cost cutting

How can you lower your expenses?

You would be surprised how much money you can save when you decide to drastically reduce your spending during a time of crisis. Cutting unnecessary costs, and even reducing necessary ones, will help you avoid relying on debt and will reduce your overall stress.

Use the chart on page 11 to see how much you can reduce your expenses. Get aggressive in cutting costs. This short-term sacrifice will be well-worth the effort.

Helpful tips

- Check YouTube and other free information sources on how to scale back costs. There are many videos on cost saving recipes, frugal living, and other cost conscious lifestyle practices.
- Lower your cell phone plan to the most basic/least expensive plan
- Get a less expensive car or if you have two cars get rid of one
- Decrease your utilities to the most basic
- Speak to your landlord or mortgage provider to see what payment relief is available
- Lower your grocery bill by buying healthy yet less expensive food and move to drinking water

Cost cutting (continued)

| Monthly budget items | Non-crisis | Crisis |
|-------------------------------------|------------|--------|
| Mortgage/Rent | | |
| Insurance (Health, life, auto) | | |
| Utilities (Electricity, water, gas) | | |
| Emergency savings | | |
| Cell phone | | |
| Groceries | | |
| Gas for car | | |
| Clothes | | |
| Entertainment & eating out | | |
| Dates & outings | | |
| Pet care | | |
| Subscriptions | | |
| Hobbies | | |
| Cable TV | | |
| Exercise/Gym | | |
| Lessons/Education | | |
| Personal spending | | |
| Gifts | | |
| Retirement contributions | | |
| Miscellaneous | | |
| Total expenses | | |
| Non-crisis expenses | | |
| Crisis expenses | | |
| Total you can save | | |

Cost cutting (continued)

Deferred payments

Payments that are completely or partially postponed for financial reasons. Some lenders offer borrowers deferred payments. This means that you may not be required to make the monthly payment. Instead, the amount due will be delayed until the end of your loan. It is important to record payments you defer so that you know what you are expected to still pay in the future.

| Payment type | Company | Amount | Next due date | Total amount due |
|--------------|---------|--------|---------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Step 2: Identifying income

Step 2: Identifying income

Sometimes during a crisis it can be difficult to find regular income. Don't give up - keep looking for full or part-time work until you can find it. In the meantime there are many ways to find the income you need to cover your monthly necessities.

Regular income

Even during crises companies are looking for talented, full-time and/or part-time employees. There is no shame in taking a position that does not pay what you are used to making. Brush up that resume, make the tough phone calls and do what you can to get some regular income rolling back in.

Creative Income

There are many ways to make some extra cash when you need it. Contact businesses that are hiring temporary or part-time workers in your area. Think grocery stores, delivery services or virtual meeting companies.

Sell possessions for income

Consider the things you are no longer using that others would be willing to purchase. Yard sales help, but you might even consider selling big-ticket items like a second car to help cover your expenses.

Cash isn't your only currency

Barter is an act of trading goods or services between two or more parties without the use of money (or a monetary medium, such as a credit card).

In essence, bartering involves the provision of one good or service by one party in return for another good or service from another party.

What are the skills or talents you have that someone else needs? What skill or talent does someone else offer that you need?

- Great with kids?
Babysitting and childcare are in high demand as more people work from home
- Are you a great cook?
- Do you sew?
- Are you skilled at fixing things?
Handyman, yard work, plumbing, mechanic

Securing your income

| Income type | | Weekly | Monthly | Yearly |
|-------------------------------|------------------------------|--------|---------|--------|
| Regular income | Full-time work | | | |
| | Part-time work | | | |
| | Other | | | |
| | Total regular income | | | |
| Creative income | Childcare | | | |
| | Delivery services | | | |
| | Cleaning services | | | |
| | Grocery stores | | | |
| | Virtual tutoring | | | |
| | Other | | | |
| | Total creative income | | | |
| Sell possessions for income | Sell a car | | | |
| | Sell electronics | | | |
| | Yard sale | | | |
| | Other | | | |
| | Other | | | |
| | Other | | | |
| | Total cash from sales | | | |
| Total available income | | | | |

Step 3: Identifying your budget

Step 3: Identifying your budget

Compare your income with your expenses to determine if you're living within your means. In the spaces below, fill in your total net income and then your estimated total monthly expenses. You'll determine whether you have a budget deficit or a budget surplus by subtracting your expenses from your income.

Deficit

Expenses are greater than income.

Surplus

Income is greater than expenses so there is money left over to save.

| | Weekly | Monthly | Yearly |
|----------------------------------|--------|---------|--------|
| Total expenses | | | |
| Total income | | | |
| Budget deficit or surplus | | | |

If your income is greater than your expenses, you should be able to account for that excess. Have you been saving? Have you been purchasing goods and services not listed in your budget?

If your expenses are greater than your income, think about ways to reduce your expenses to correct the deficit.

Money and mindset

Resource for growing your financial confidence and improving your well-being.

Articles, calculators and tools

Action: Get started with our articles in the mind-money connection.

Financial personality quiz

Action: Take the quiz to learn about your money-mindset personality and to get started on your journey.

Join Money and mindset podcast with Bright and Brian.

Bright, our happiness expert, and Brian, our financial expert, inspire you to rethink your relationship with money, helping you grow your financial confidence and improve your well-being.

Action: Listen on Truist.com and also subscribe on your preferred podcast player.

Money and mindset biweekly email program

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Scan code



Worksheets & resources

Looking to the future

As you come out on the other side of this time of reduced income and resources, we encourage you to continue best budgeting practices for financial health. The following pages provide tools for non-crisis budgeting that will help you reach your financial goals.

Worksheets include:

- Tracking my expenses
- Determining your disposable income
- What are your financial priorities?
- Goal-setting tips
- Creating short-term and long-term financial goals
- Controlling your debt

My expenses

| | Expense type | Weekly | Monthly | Yearly |
|----------------------------|------------------------------------|--------|---------|--------|
| Personal & family | Day care/babysitting | | | |
| | Children's allowance | | | |
| | Child support | | | |
| | Clothing and shoes | | | |
| | Laundry/Dry cleaning | | | |
| | Donations | | | |
| | Entertainment | | | |
| | Other | | | |
| | Personal & family total | | | |
| Food | Groceries & household supplies | | | |
| | Meals out | | | |
| | Other | | | |
| | Food total | | | |
| Debt payments | Auto loan | | | |
| | Credit card | | | |
| | Department store credit card | | | |
| | Student loan | | | |
| | Personal loan | | | |
| | Other | | | |
| Debt payments total | | | | |
| Household | Rent or mortgage | | | |
| | Second mortgage/Home equity loan | | | |
| | Property taxes | | | |
| | Insurance | | | |
| | Homeowners association dues | | | |
| | Gas | | | |
| | Electric | | | |
| | Water | | | |
| | Trash | | | |
| | Telephone/Cell phone | | | |
| | Home maintenance | | | |
| | Cable | | | |
| | Internet | | | |
| Other | | | | |
| Household total | | | | |

My expenses (continued)

| Expense type | | Weekly | Monthly | Yearly |
|-----------------------------|------------------------------|--------|---------|--------|
| Insurance | Disability | | | |
| | Health | | | |
| | Dental | | | |
| | Vision | | | |
| | Life | | | |
| | Other | | | |
| | Insurance total | | | |
| Medical | Doctor/chiropractor | | | |
| | Optometrist/glasses/contacts | | | |
| | Dentist | | | |
| | Prescriptions | | | |
| | Counseling/therapy | | | |
| | Other | | | |
| | Medical total | | | |
| Transportation | Auto insurance | | | |
| | Gas | | | |
| | Maintenance | | | |
| | Registration/smog check | | | |
| | Tolls/parking fees | | | |
| | Public transportation | | | |
| | Other | | | |
| Transportation total | | | | |
| Expenses grand total | | | | |

Determining your disposable income

| Income type | | Weekly | Monthly | Yearly |
|-------------------------------|-----------------------------|--------|---------|--------|
| Regular income | Full-time work | | | |
| | Part-time work | | | |
| | Other | | | |
| | Total regular income | | | |
| Total available income | | | | |

Compare your income with your expenses to determine if you're living within your means. In the spaces below, fill in your total net income and then your estimated total monthly expenses. You'll determine your "disposable income" (which is any excess or deficit) by subtracting your expenses from your income.

| | |
|----------------------|--|
| Total net income | |
| Total monthly income | |
| Disposable income | |

If your income is greater than your expenses, you should be able to account for that excess. Have you been saving? Have you been purchasing goods and services not listed in your budget?

If your expenses are greater than your income, think about ways to reduce your expenses to correct the deficit.

What are your financial priorities?

There are many ways to spend your money. The following questions will help you realize what your financial priorities are.

You just won \$100,000 in the lottery. How are you spending the money?

| | |
|----|-----|
| \$ | for |
| \$ | for |
| \$ | for |
| \$ | for |
| \$ | for |

You just lost your job and need to make spending cuts in your day-to-day budget. What can go?

| | |
|----|-----|
| \$ | for |
| \$ | for |
| \$ | for |

What are your financial priorities?

(continued)

Are you clear about the lifestyle you want? Do you have a clear vision of your future? Your money should align with your vision. Using the chart below, determine your vision for the future.

List your financial priorities. Then rank them on a scale from 1 to 5 (1 being the lowest and 5 being the highest) to determine what's most important to you. After you've ranked them, list the reason(s) for your ranking.

| Financial priority | Priority ranking | Reasons |
|--------------------|------------------|---------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Setting SMART goals

It's important to create financial goals that are SMART—**S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime-bound.

Let's take a look at how to define a SMART goal:

Specific

Be as specific as possible. Setting vague goals won't give you the results you want. For example, if you want to go on a vacation with your family, your goal might be "I want to go on a vacation to Orlando with my family in December." Notice how the details "to Orlando" and "in December" make the goal more specific than saying, "I want to go on a vacation."

Measurable

If you don't measure your goal, you won't know whether you've achieved it. In the example we just used, saying you want to go on vacation to Orlando in December gives you a way to measure your goal. If you go on a vacation to Orlando in December, you'll know you achieved your goal.

Attainable

It's good to work to accomplish your goals, but be careful to avoid setting goals that are too hard or impossible to achieve. In our example, you might have another goal to pay off your debt, which could mean you might not be able to go to Orlando in December. That doesn't mean your goal isn't valid. It just means you might need to adjust your timeline to another date.

Relevant

Is the goal worthwhile? Will it help you meet your financial goals or get ahead? If taking a vacation isn't a financial priority, you might want to skip it and find another goal to work toward.

Time-bound

Every goal you set should have an ending. Otherwise, you won't know when you've accomplished your goal. In our example, December is the time frame for completion.

Creating short-term and long-term financial goals

To get started on your journey toward a better financial life, set reasonable short-term and long-term goals to set yourself up for success.

Short-term goals: Goals you want to accomplish in the next six to 12 months.

Long-term goals: Goals you want to accomplish more than a year from now, but in less than 10 years. To find these goals, think about where you see yourself financially in one year. How about five years? In 10 years?

Using the spaces below, write down two long-term financial goals you want to accomplish based on the priorities you previously outlined. Then break them down into two or three short-term goals so you have the steps to reach your long-term goals.

Long-term goal #1:

Short-term goals:

Short-term goals:

Long-term goal #2:

Short-term goals:

Short-term goals:

Remember—set **SMART** financial goals.

Controlling your debt

It's time to take control of your debt. In the following spaces, list all the debt you have—be as specific as possible.

| Creditor | Type of loan | Current balance | Minimum monthly payment |
|----------|--------------|-----------------|-------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Rank your debt below—from the smallest balance to the largest balance.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____

Can you make more than the minimum monthly payment each month on your smallest debt?
 Yes No

If yes, how much more will you commit to paying toward the principal on that loan? \$_____.

If no, once you pay off the smallest amount of debt, move down the list to the next smallest and so forth.

Controlling your debt

Why is paying down your debt so important? The following are some of the benefits people have experienced from paying down their debt:

Increased financial security

Debt will keep you from making the most of your money. What you spend on debt payments could be used for many other things, such as retirement, funding a college education or just general savings.

Life enjoyment

Many times people cannot afford to do something they really want to do because of the debt they have, and unfortunately, they use more debt to make purchases to get what they want. Then, they have even more debt and less disposable income — the cycle just continues. By paying down your debt, you'll have more money to do what you really want to do in your life.

Reduced stress

How are you going to pay your bills? If you have this stress every month, you know how overwhelming debt can be. Some stress is fine, but constant stress can lead to serious health issues.

Improved credit score

By paying down your debt, you should see your credit score improve, therefore, making a major purchase even easier (such as a home or car).

Owned assets

Until you make the last payment on your car or your home, the creditor (usually a bank) owns that asset, not you. Being debt free means you'll own the car you drive or the house you live in — and even the clothes you wear.

Glossary of terms

Barter - The act of trading goods or services between two or more parties without the use of money (or a monetary medium, such as a credit card). In essence, bartering involves the provision of one good or service by one party in return for another good or service from another party.

Budget - An estimation of revenue and expenses over a specified future period of time and is usually compiled and re-evaluated on a periodic basis.

Debt - An amount of money borrowed by one party from another.

Deferment period - An agreed-upon time during which a borrower does not have to pay the lender interest or principal on a loan.

Deficit - When the sum of expenses is greater than income.

Disposable income - The amount left over after subtracting all required expenses and deductions from income.

Expense - The cost required for something; the money spent on something.

Forbearance - The temporary postponement of mortgage payments granted by the lender or creditor in lieu of forcing a property into foreclosure.

Income - Money (or some equivalent value) that an individual or business receives, usually in exchange for providing a good or service or through investing capital. For individuals, income is most often received in the form of wages or salary.

Net income - Also referred to as net profit, net earnings or the bottom line — is the amount an individual earns after subtracting taxes and other deductions from gross income. For a business, net income is the amount of revenue left after subtracting all expenses, taxes and costs.

Surplus - The amount of money left over when expenses have been paid.

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