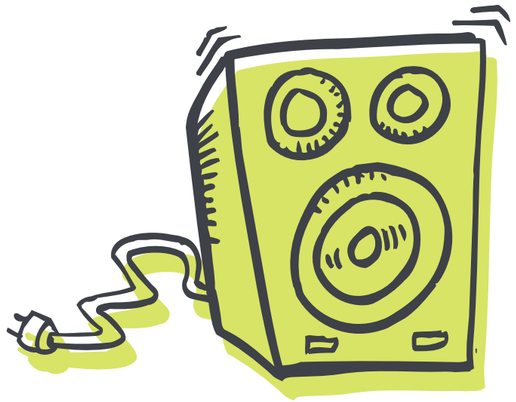
(though you shouldn't hear anything yet)

You can listen through:



Computer Speakers

Turn them up!

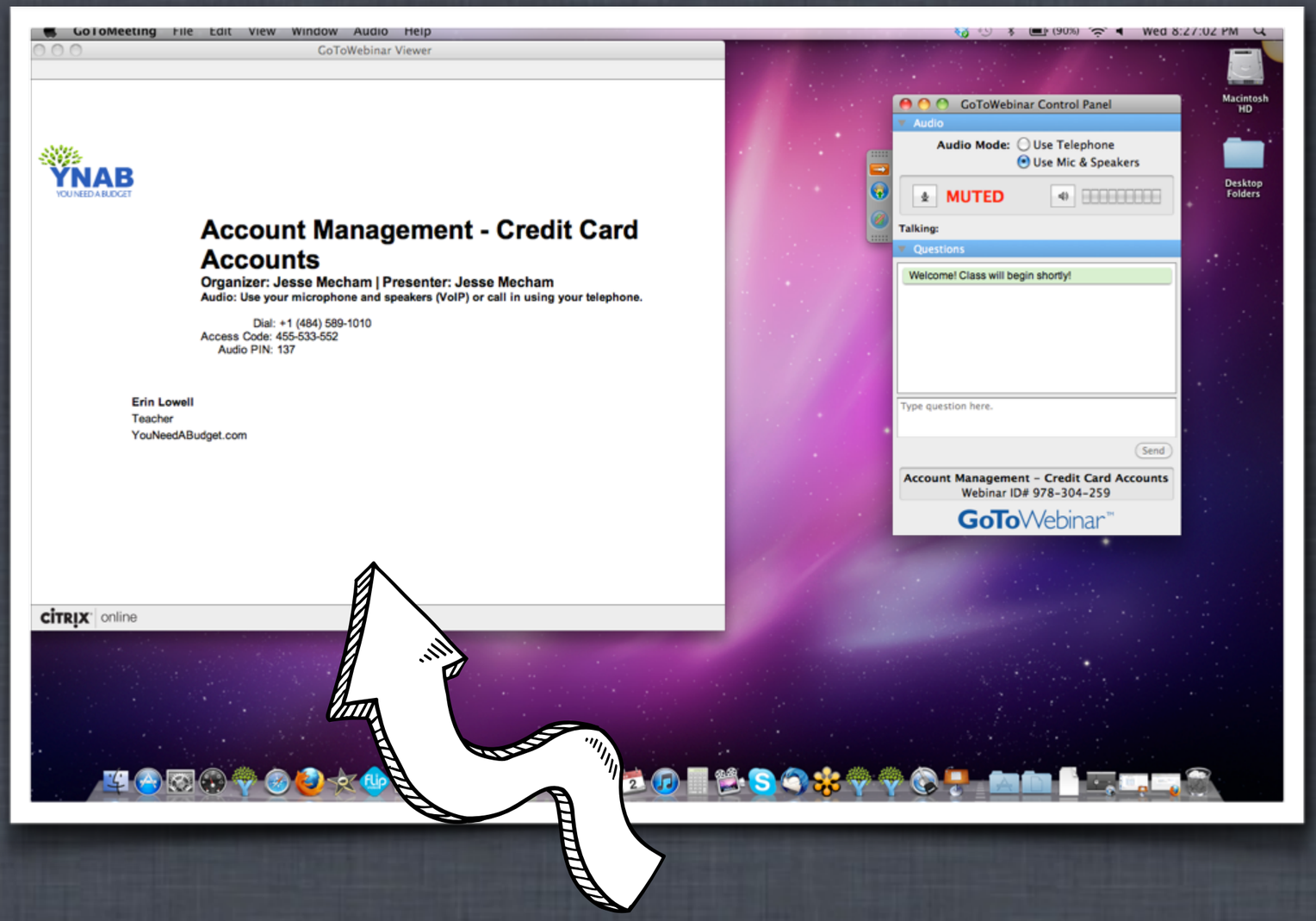
Dialing in by Phone

Check your email!

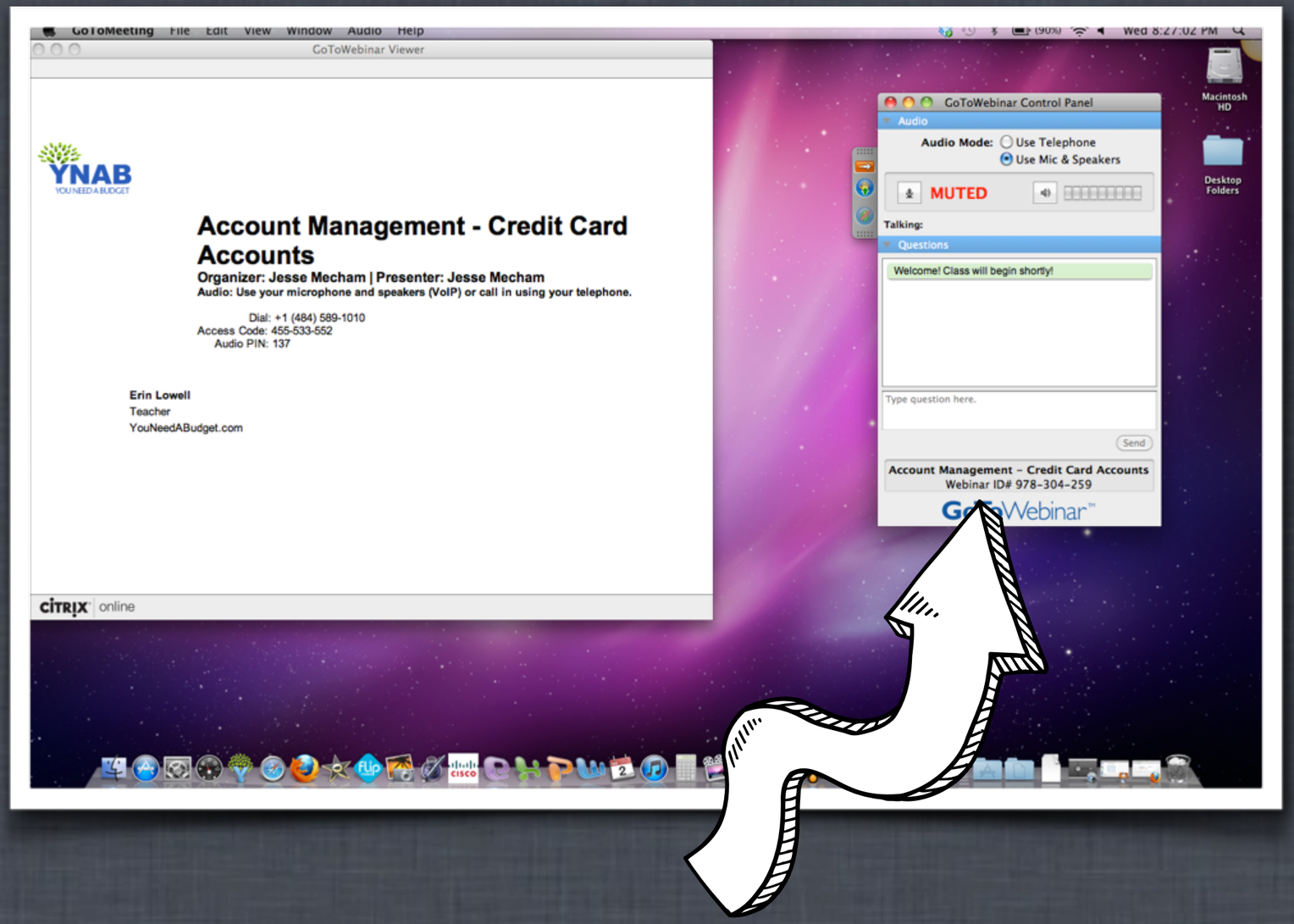
You Haven't Budgeted Like This

Dealing with Different Paycheck Cycles

You Need A Budget.



GoToWebinar Viewer



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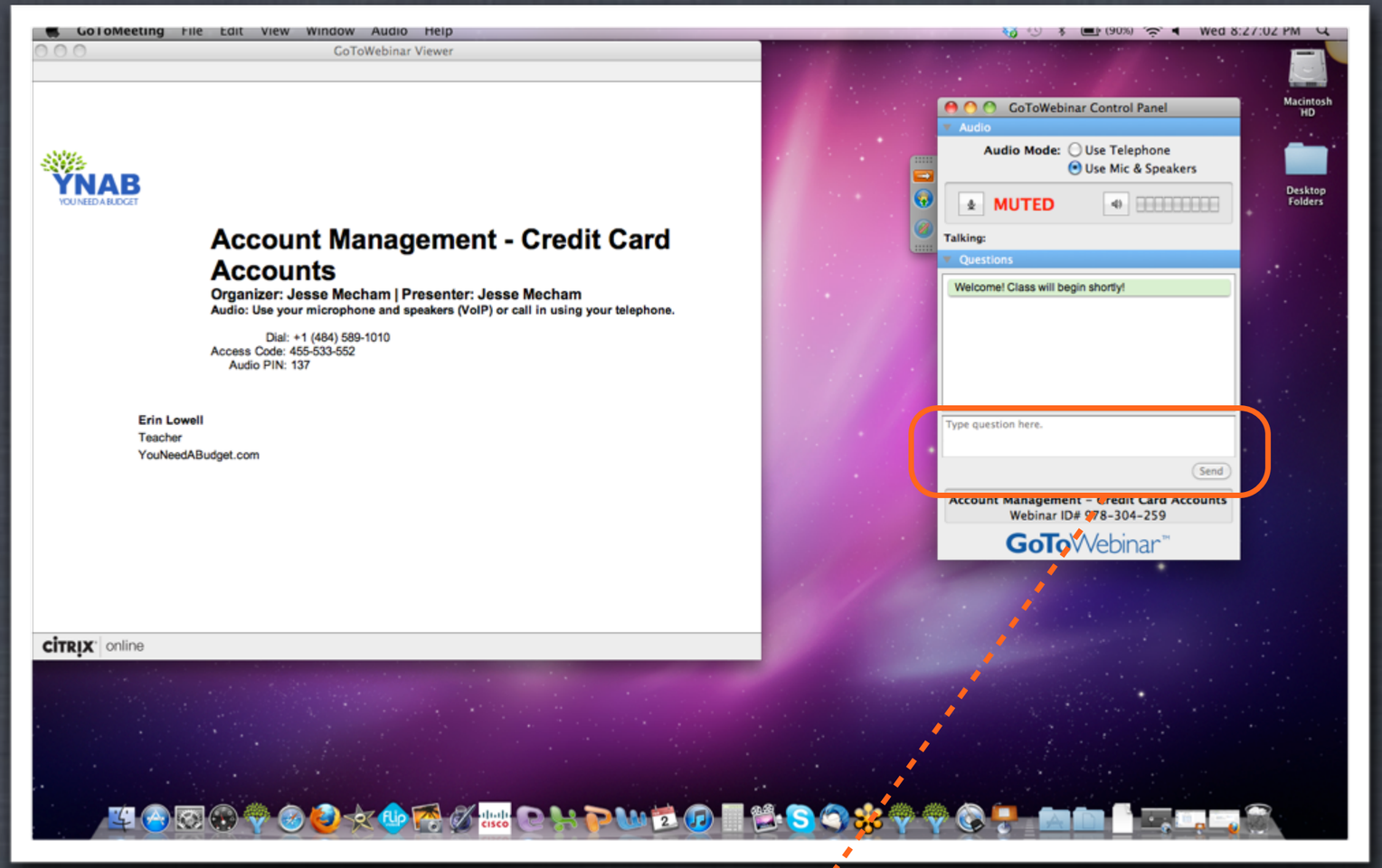
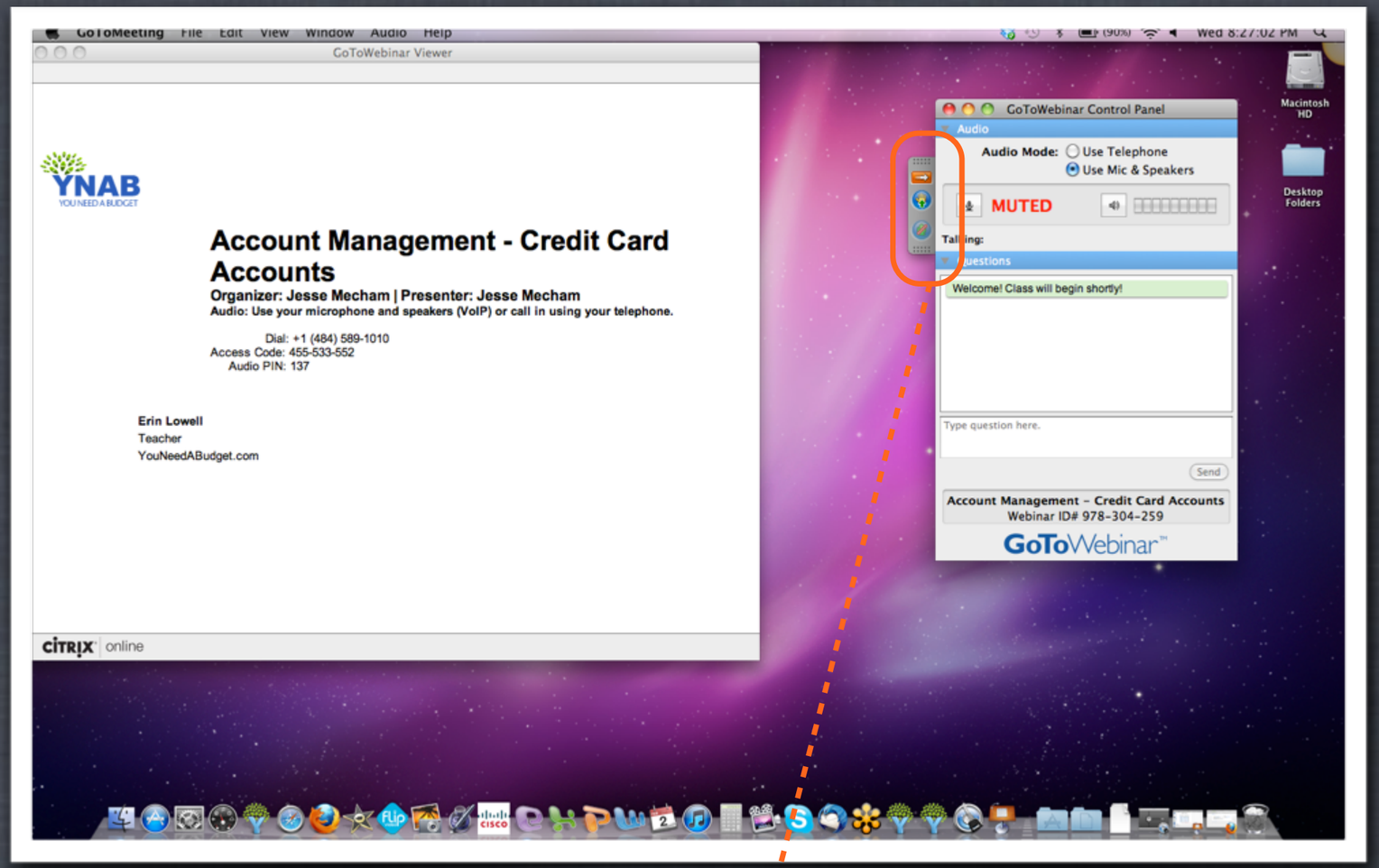


Type questions here!



Click if you can't see the control panel

I'll leave time for open Q&A.

Please hold all questions until I ask for them.

We'll share links to the class slides and recording at the end of the class.

Outline

- Challenges of Different Pay Cycles
- Rule Four
- Pay Cycle Strategies
  - Paid Multiple Times a Month
  - Paid Monthly
  - Paid Irregularly or less than Monthly
- Final Thoughts

Software Giveaway!

Not Covered:

- YNAB's Rules
- Credit Cards
- Business Questions

Check out our
"Getting Started"
course!

Outline

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Different pay cycles can make budgeting **confusing.**

"I get paid on the 25th, but that money is for next month. What do I do?"

"I'm not sure when I'll get paid or how much it will be!"

"I'm paid weekly. A monthly budget won't work for me."

People think their pay cycle won't work with YNAB's **monthly structure.**

SECRET: Think more about the **jobs the money needs to do.** Think less about the pay cycle or YNAB's monthly structure.

"What does this money need to do before I'm paid again?"

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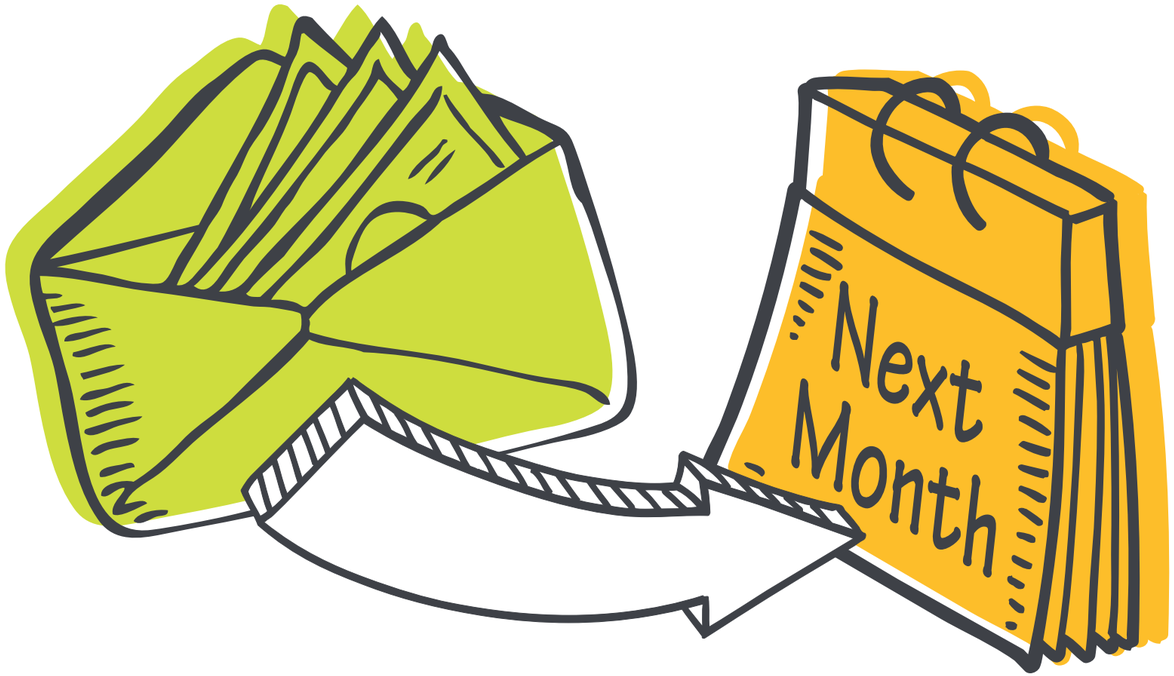
Rule Four builds in a cushion of time.

This can help **everyone.**

Live on

last month's

income.



THE YNAB

BUFFER

Build a financial cushion.

THE YNAB

BUFFER

Stop timing paychecks to bills.

If you have a low income month and no Buffer, **you're scrambling to cover things.**

This month's income is down.

If a **low income month** and a Buffer, you'll have time to adjust.

This month's income is down.

Next month will be tight!

You can **cut back now**, or do something to **bring in more income.**

This month's income is down.

Next month will be tight!

Rule Four lets you be proactive instead of reactive.

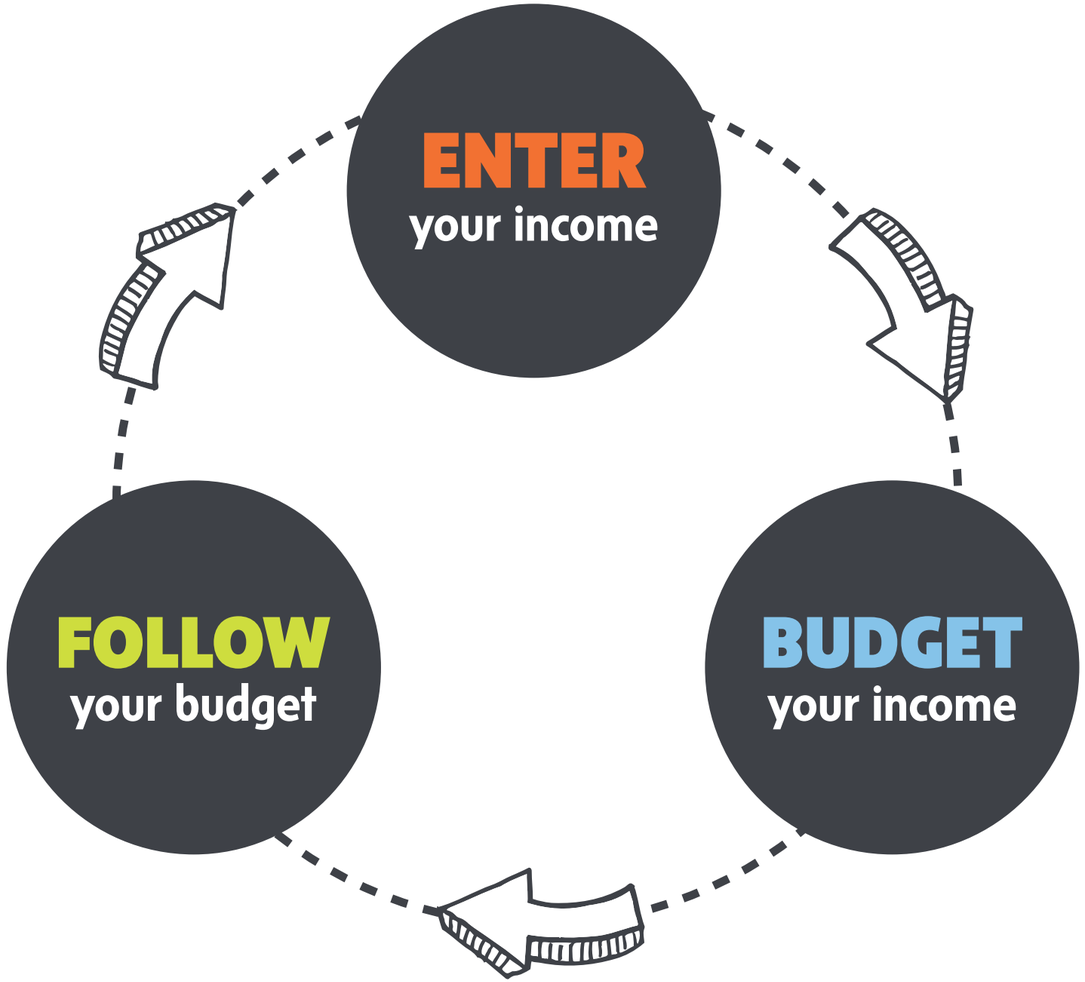
What do you do in the meantime?

"I get paid on the 25th, but that money is for next month. What do I do?"

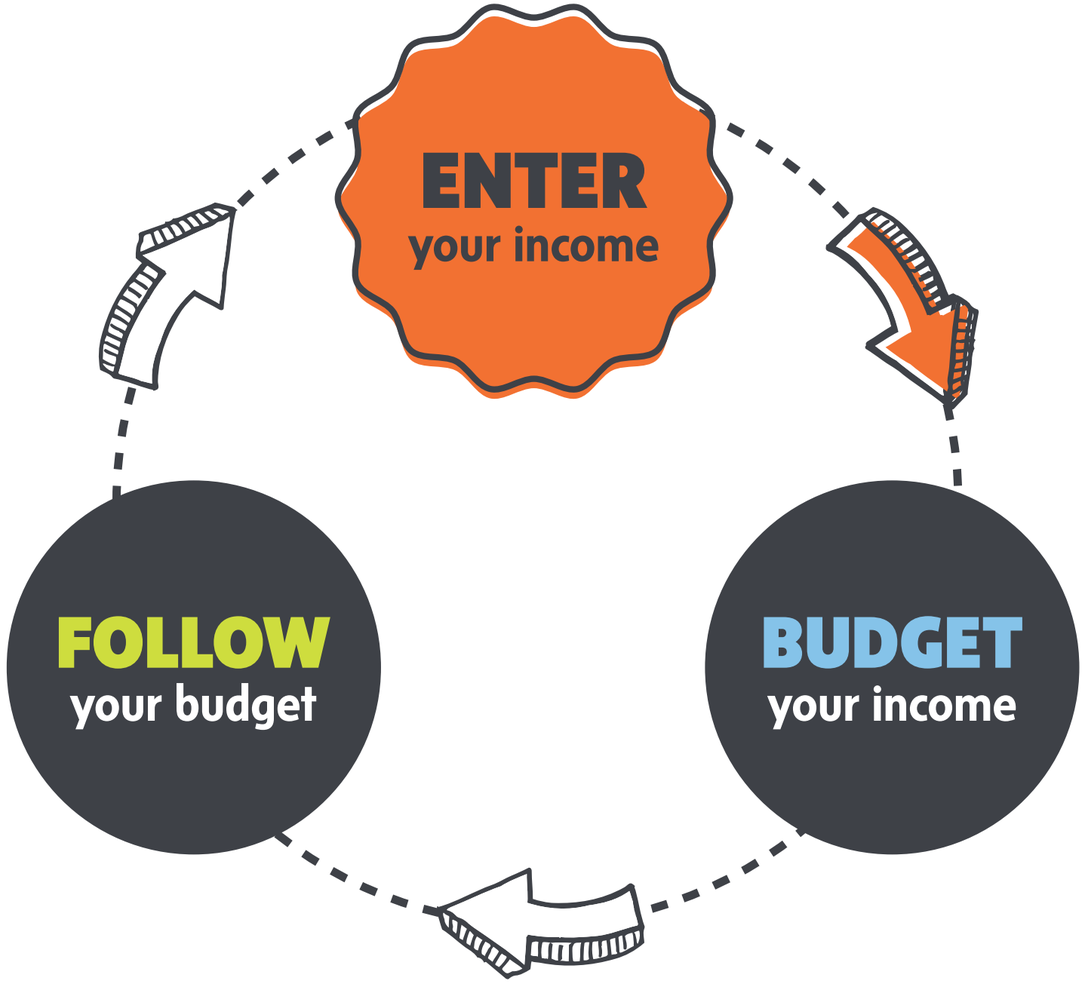
"I'm not sure when I'll get paid or how much it will be!"

"I'm paid weekly. A monthly budget won't work for me."

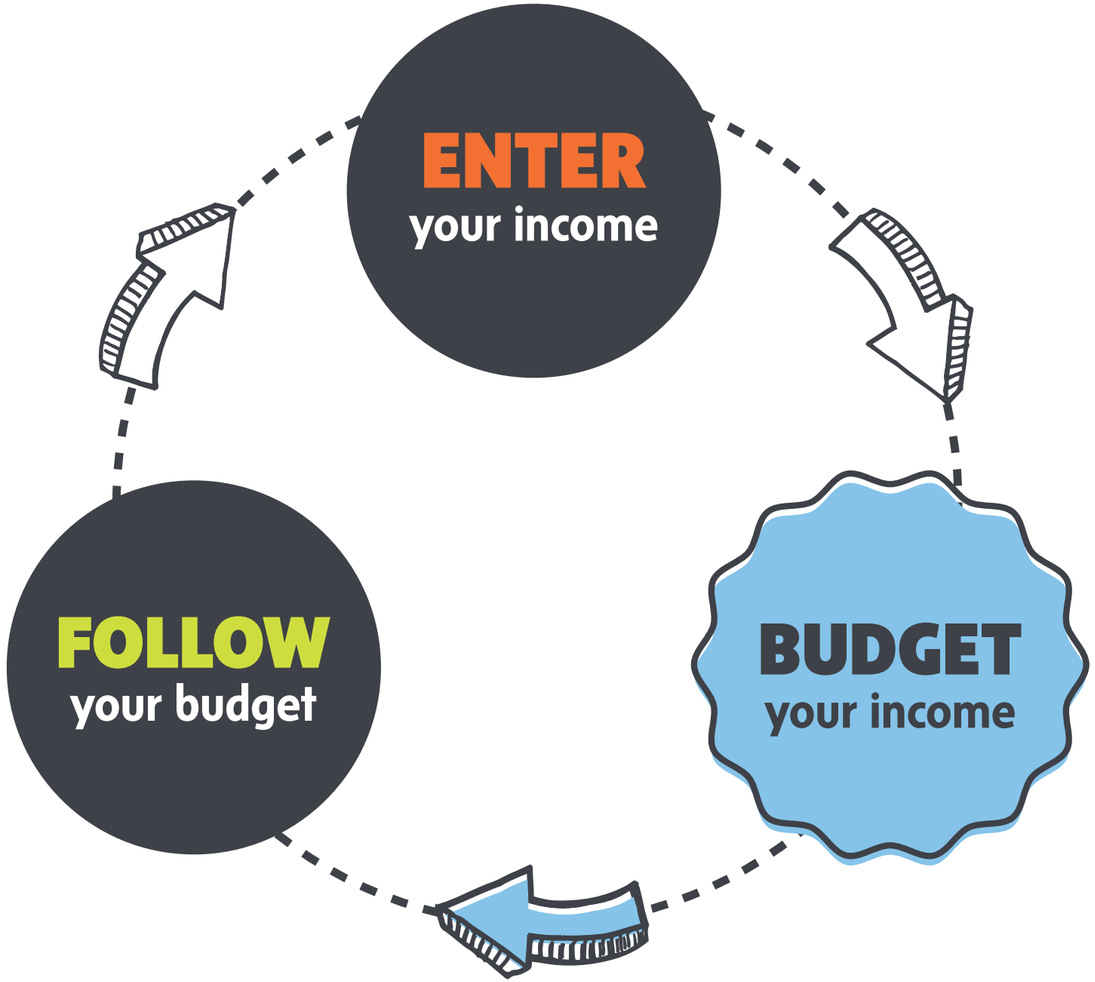
Use YNAB's **Three Step Process** to simplify things.



Use YNAB's **Three Step Process** to simplify things.

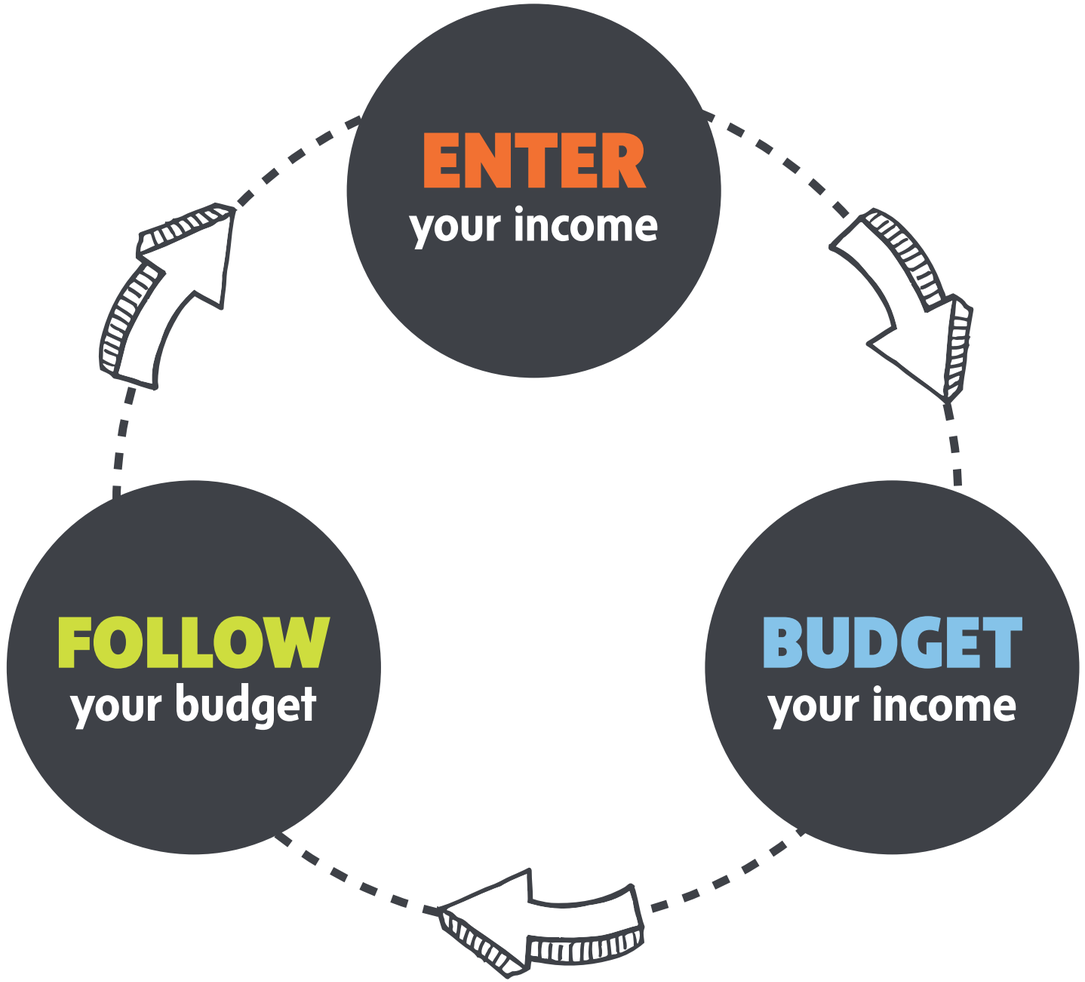


Use YNAB's **Three Step Process** to simplify things.



Use YNAB's **Three Step Process** to simplify things.

Use YNAB's **Three Step Process** to simplify things.



The **Three Step Process** works in **ALL** these situations.

"I get paid on the 25th, but that money is for next month. What do I do?"

"I'm not sure when I'll get paid or how much it will be!"

"I'm paid weekly. A monthly budget won't work for me."

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Let's start with **Step One** and look at some different **pay cycles** first.

1

Paid a few times a month

$400 every week
$1200 every other week
$1000 on the 1st and 15th

1	**Paid a few times a month** $400 every week $1200 every other week $1000 on the 1st and 15th	
2	**Paid Monthly** 1st of the month 23rd of the month 30th of the month	

1

Paid a few times a month

$400 every week
$1200 every other week
$1000 on the 1st and 15th

2

Paid Monthly

1st of the month
23rd of the month
30th of the month

3

Paid irregularly or less than monthly

$8000, commission
$6000, start of the semester
$9,000 when the sale goes through

No matter which group you belong to, you need to **enter the income when it arrives.**

When you're starting, **enter it for this month.**

Step Two is where you'll develop a **strategy.**

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If you're paid frequently, you don't budget very far into **time.** You budget more often and make adjustments.

You're budgeting for the now.

What does this
money need to do
before I am paid again?

Prioritize your budget.

1

1. Immediate Needs

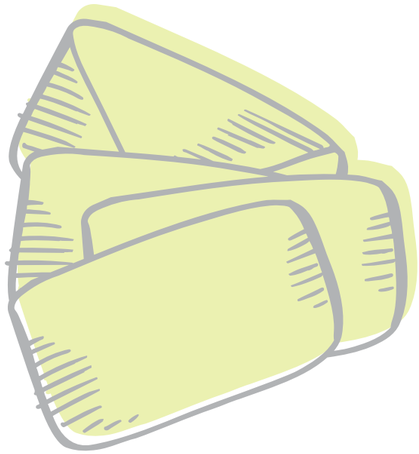
2. Bills

3. Rainy Day Funds

Prioritize your budget.

1

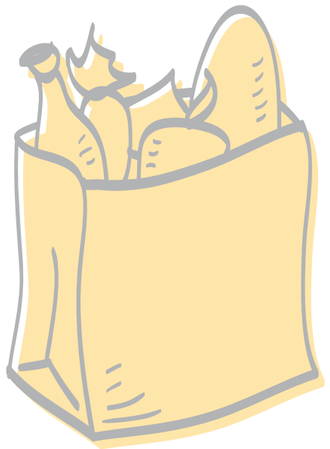
1. Immediate Needs



2. Bills

3. Rainy Day Funds

Prioritize your budget.



1. Immediate Needs

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Prioritize your budget.

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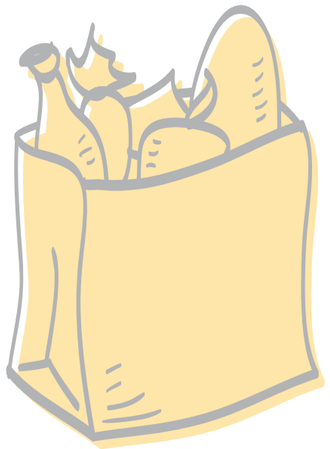
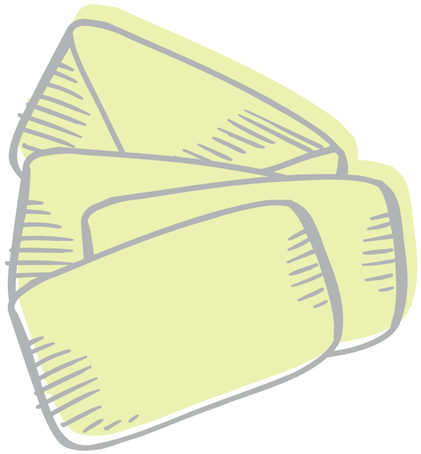


1. Immediate Needs



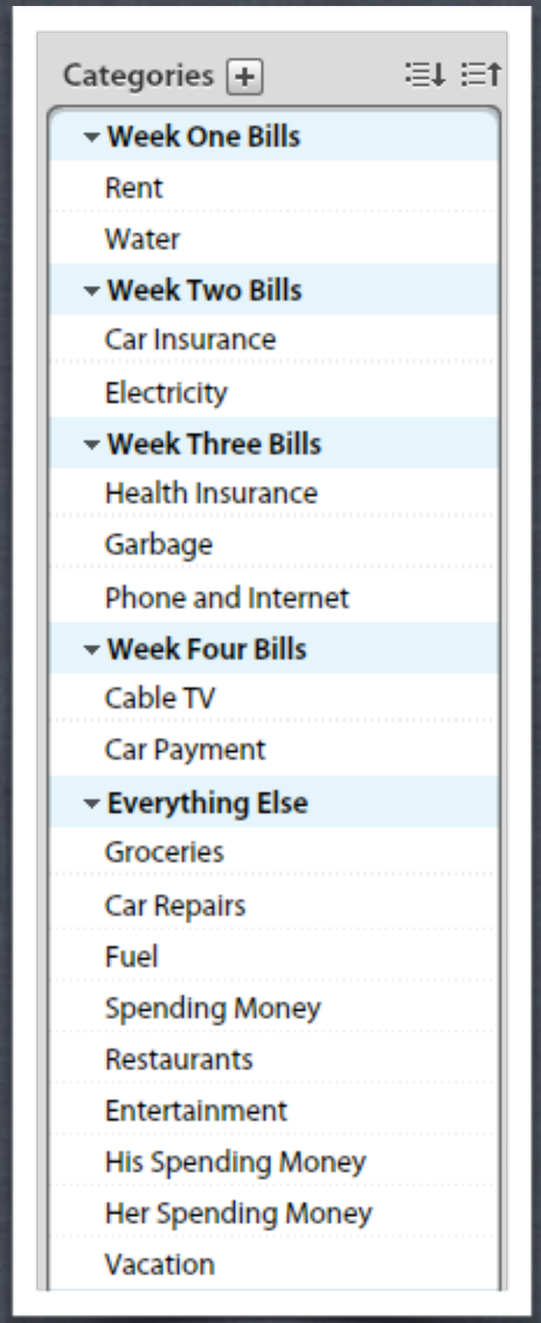
2. Bills

3. Rainy Day Funds

In the short term...

Organize your categories by pay cycle.

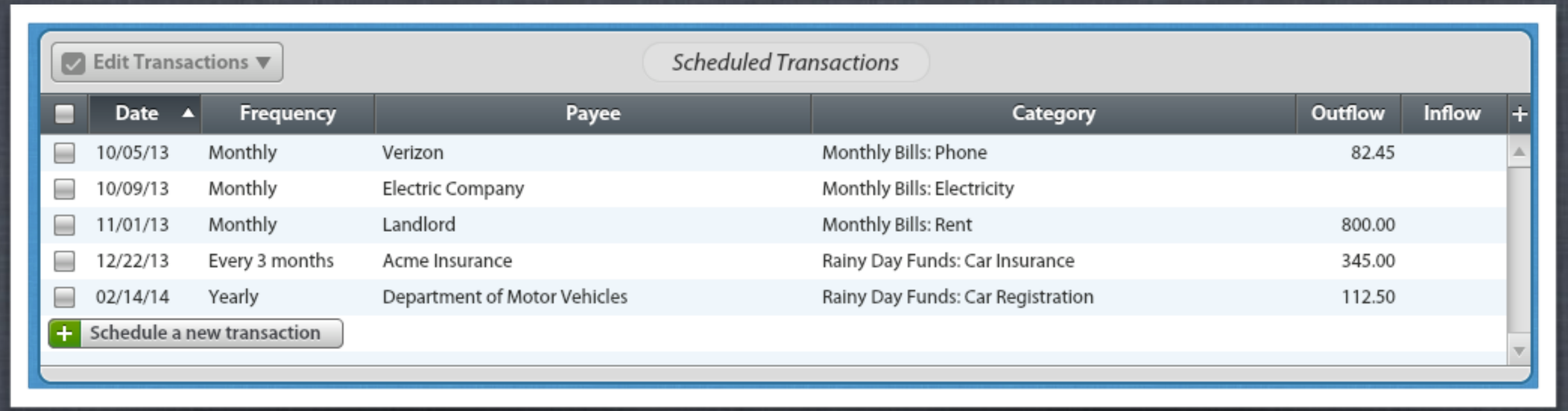
1



The Scheduler

- Make sure you don’t forget any bills.
- See what’s coming next.
- Help plan your budget.

This is for **future transactions.**



Transactions here don't affect the account or budget.

YNAB

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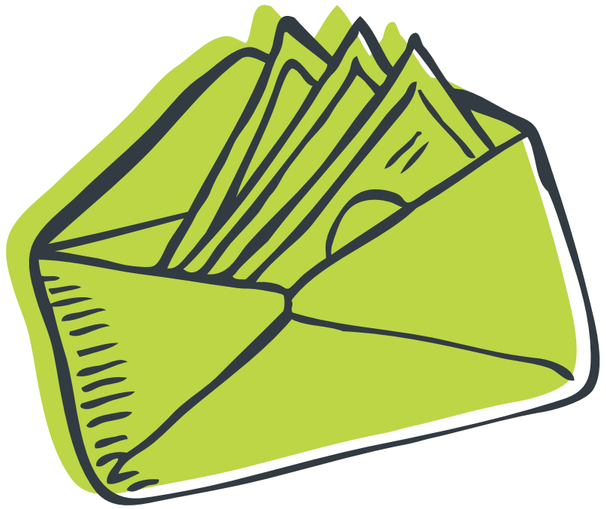
If you're paid monthly, even near the end of the month, you can still **budget now.**

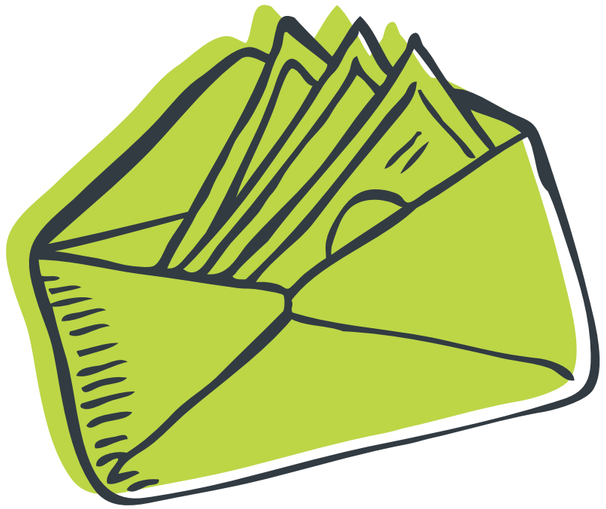
You can budget now and spend later.

Think of it this way:



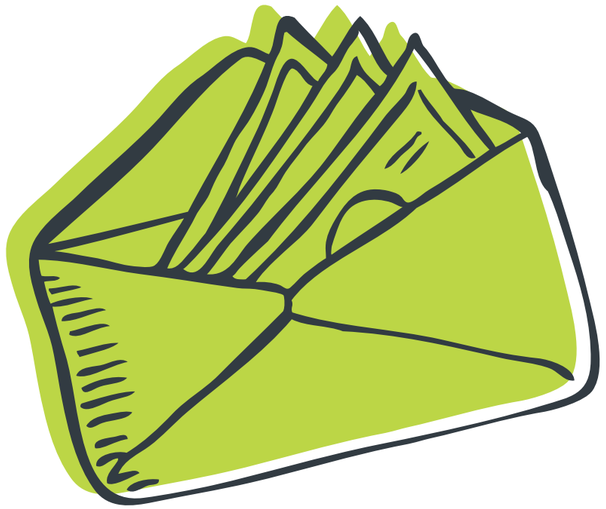
You put money in an envelope this month and tuck it in a desk drawer. You walk away...

Think of it this way:



…You go back and check the envelope next month. The money is still there.

Think of it this way:



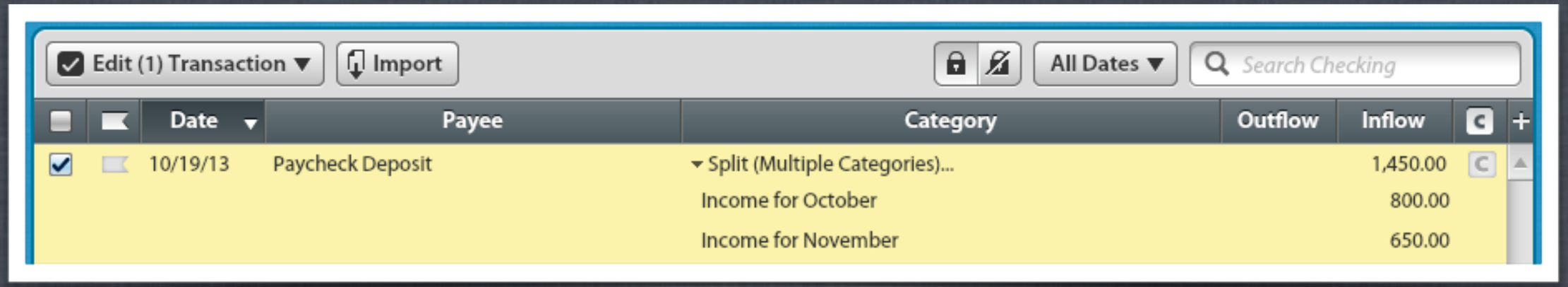
It doesn't matter **when** you put the money in the envelope.

It matters that it's still there.

YNAB

Alternative Approach: **Split the paycheck** between two months.

2



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You don’t know **when** income will arrive or **how much** it will be!

Teacher

Small Business Owner

Commission Based Sales

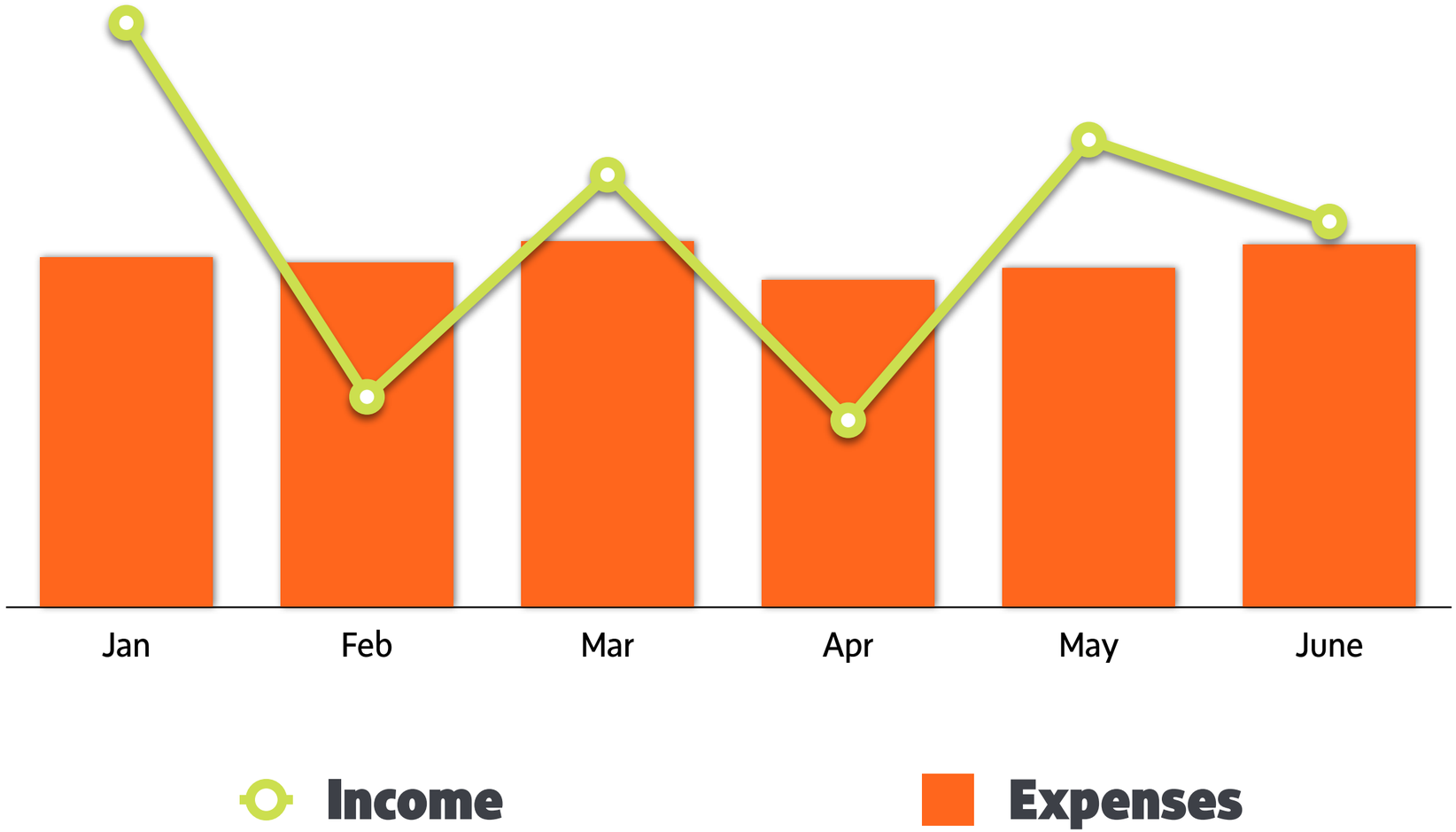
Contractor

Realtor

College Student

Freelancer

Expenses may be somewhat even, but how do you **even out income?**



Rule Two can even out income too!

Paid Irregularly

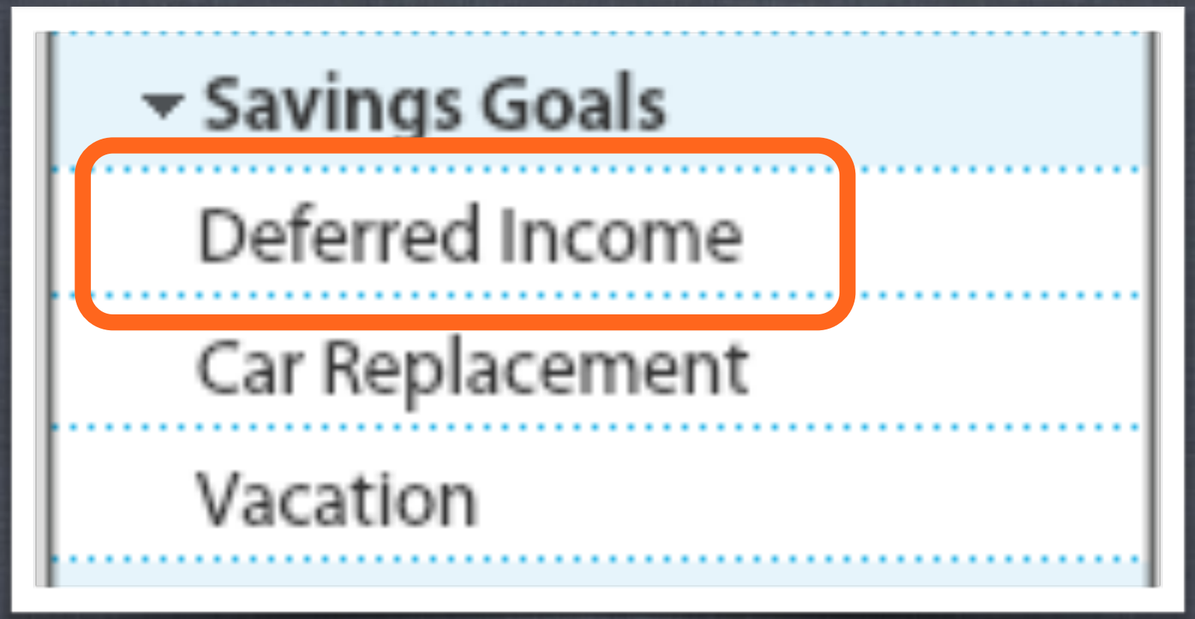
This is for those of you who receive income at least monthly but the timing and/or amount varies.

3

If you get a big paycheck, **you can stretch it over time.**

Create a category called **Deferred Income.**

3



First fund the current month, then **assign what's left** to Deferred Income.

3

You're learning to **let money sit.**

YNAB

Paid Less Than Monthly

This is for those of you who receive a lump sum and need to make it last for a certain amount of time.

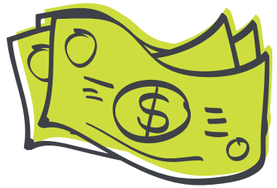
How much did you get?

divided by

How long does it need to last?

=

MONTHLY BUDGET AMOUNT

	JUNE	JULY	AUG	SEPT
	$8,000			
	$2,000	$2,000	$2,000	$2,000

YNAB

How is a **Deferred Income Category** different than a buffer, rainy day category or emergency fund?

It has a different job.

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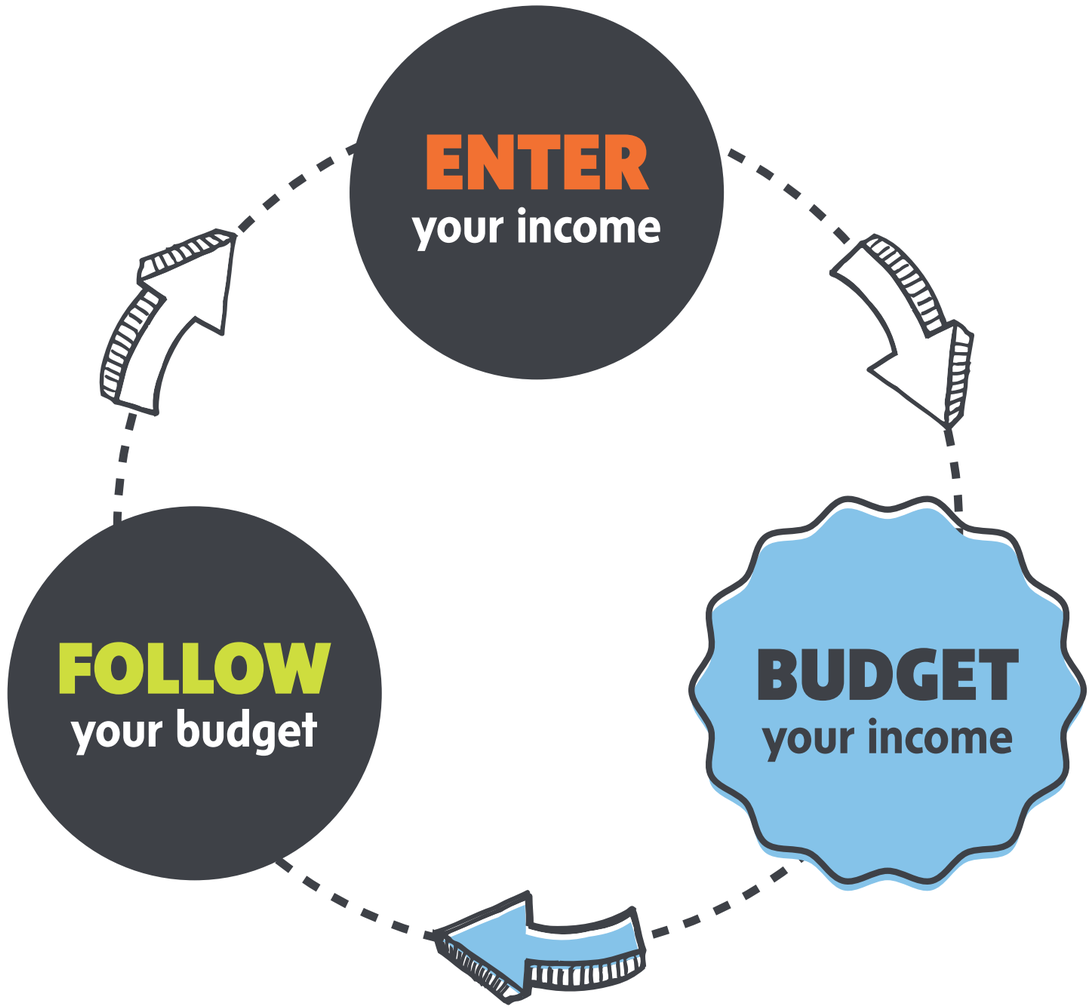
Regardless of your pay cycle,
follow these **Three Steps.**

The **strategy** in Step Two is the only thing that changes.



This is the step where you'll **track spending** against your plan.

Spending decisions are made by focusing on the **Budget.**

CATEGORY	BUDGETED	OUTFLO	CATEGORY BALANCE
Clothes	$300.00	-$175.	$125.00

Instead of the
Bank Balance.

Remember, you care about
the total in the envelopes.

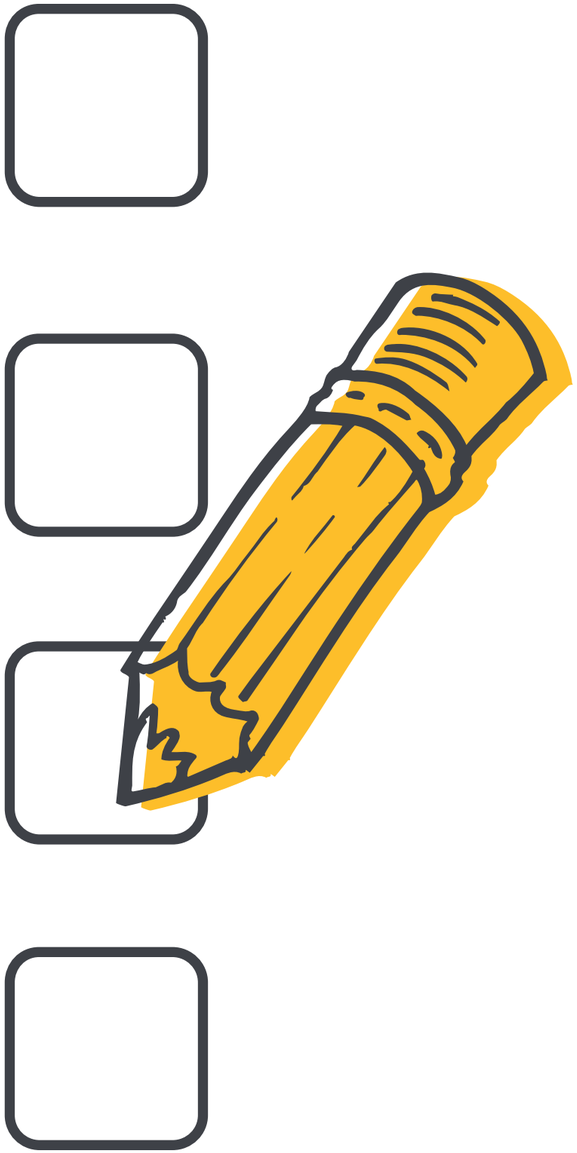
You don’t care where the money is located or how much was added when.

What do you do if you are starting in a lean month? **Prioritize.**

1. Immediate Needs

2. Bills

3. Rainy Day Funds



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- For a friend if you've already purchased

FREE SUPPORT

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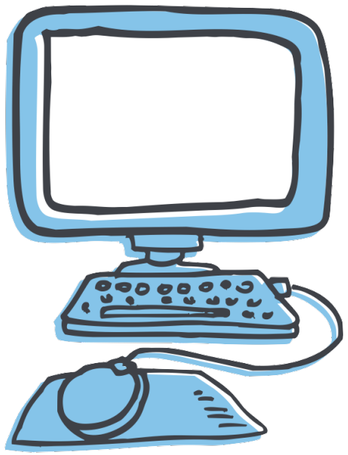
http://ynab.me/freeclasses



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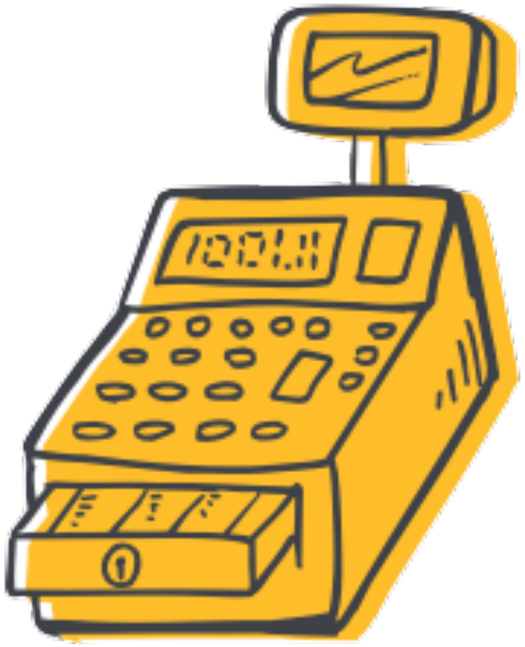

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