

Living on a budget

One of the keys to **financial planning**



Budgeting lays out the foundation for creating a comprehensive financial plan.

A budget is a straightforward accounting of income and expenses. Following your budget means striving to earn and spend close to what you estimated. While creating a budget takes some effort, knowing for certain where you stand financially on a month-to-month basis is the key starting point toward achieving your financial goals.

Budget basics—getting organized

To make a budget work, take the following steps:

- Consider all your sources of income, including your salary, equity awards, interest on savings, and dividends from investments.
- Record where all of your money goes. One way to do this is to save your receipts from every purchase you make, whether it be with credit cards or with cash. If the store doesn't give you a receipt, request one.
- Keep an accurate record of the checks you write in your check register.
- Periodically, spend an hour or two going through your receipts and check register.
- Record those expenses in budget categories, such as groceries, entertainment, automobile repairs, vacations, savings and investments, mortgage payments, taxes, charitable contributions, and any others you deem necessary. The more budget categories you create, the more accurately you can track your expenses and determine areas where you may be spending too much or too little.
- At the end of each month, see how your actual spending stacks up against your budget. You may want to adjust your budget if your actual results deviate significantly from your original estimates.

Save time with online apps or software

There are a number of free mobile apps and budget worksheets online, including some that make it easy to keep track of receipts without ending up with a pocketful of paper every day. A quick search of the Internet will reveal that there are many popular apps available for free download.

Budgeting lays out the foundation for creating a comprehensive financial plan that, when updated at regular intervals, should serve you well throughout your life. With this foundation in place, the savings accumulated over time through budgeting can ultimately help you achieve your broader financial goals, from paying off loans to saving for retirement.

Your relationship with your money is much more than what's on an investment statement. It's your unique combination of spending, savings, mortgages, debts, college savings, retirement plans and more. A financial advisor can help you understand how it all works by developing a plan to guide your decisions both today and in the future.

As a firm providing wealth management services to clients, UBS is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that clients carefully read the agreements and disclosures we provide about the products or services offered. For more information, please visit our website at www.ubs.com/workingwithus.

In providing financial planning services, we may act as a broker-dealer or investment adviser, depending on whether we charge a fee for the service. Financial plans provided free of charge are a service incidental to our brokerage relationship and the service terminates upon delivery of the plan. We provide financial planning services as an investment adviser for a separate fee pursuant to a written agreement, which details the terms, conditions, fee and scope of the engagement. Note that financial planning does not alter or modify in any way the nature of a client's UBS accounts, their rights and our obligations relating to these accounts or the terms and conditions of any UBS account agreement in effect during or after the financial planning service. Clients are not required to establish accounts, purchase products or otherwise transact business with us to implement their financial plan. Should a client decide to implement their financial plan with us, we will act as either a broker-dealer or an investment adviser, depending on the service selected. For more information about our financial planning services for a fee, please see the Firm's Financial Planning Disclosure Brochure. UBS Financial Services Inc., its affiliates, and its employees do not provide tax or legal advice. Clients should speak with their independent legal or tax advisor regarding their particular circumstances.

©UBS 2015. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA. Member SIPC.