

## EAP Newsletter – January 2026

### Creating Your First Budget

Budgeting is one of the first great lessons of personal finance, yet few people are taught the basics of creating one. Or if they are taught, they forget. The inability to measure how much money is coming in and how much is going out is a primary reason for financial illiteracy in this country.

So it is a good idea to go over those basics. The Webster's definition for budget is simple: "A plan for the coordination of resources and expenditures." A budget is both a noun and a verb – a plan and a process. So, it makes sense to go over the basic process of budgeting – learning exactly what money is coming into your life, what is going out and how effectively you're using the difference.

#### **The Income Column: Measuring what's coming in**

For most people, this is the easy part. Income is largely made up of the following categories – wages, bonuses, investment income, alimony, or other part-time income.

Budgeting is easiest if done on a monthly basis. It is an easy time period with which to measure the inflow and outflow of money and it allows you to see over the course of a year which months tend to be better for income or spending.

How should you record these amounts? Save all pay stubs and other proof of income. Photocopy checks before you deposit them and either build a physical file or start keeping track of income using computer software or online resources like Mint.com.

#### **The Expense Column: Measuring what is going out**

Why are expenses tougher? Because tracking every cent you spend can be tough when you have never done it before. This process forces you to save receipts, credit card statements or to physically write down cash amounts in the absence of receipts. Recording and analyzing expenses are generally the most work-intensive part of budgeting,



but there is a silver lining – less spending means less recording time!

What are the primary expense categories? Food, shelter, and clothing.

What is beyond that? All of your monthly bills. Retirement investments. College savings for your kids. Insurance costs. And everyone's favorite, taxes.

And beyond that? Entertainment expenses – movies, plays, vacations, sports, and of course one of the biggest money drains most people cannot stand to give up, cable TV.

How should you record these amounts? The same way you did in the income column.

### **The upshot**

If your expenses match your income, congratulations. Relatively few people can say that, though the recent economic downturn has forced more people to cut debt and boost savings.

But if your expenses are still outrunning your income, you now know you have to start trimming and finding more money for savings, investment, or debt reduction.

What should your target be? There are a variety of theories, but you will often hear the term “60 percent solution.” This means aiming for a total spending figure equal to the first 60 percent of your income.

How do you get there? Start by identifying the expenses you can live without – designer coffee, restaurant meals and carryout might be a start. Then start finding ways to whittle down monthly bills – paying more than the minimums on credit card bills, consolidating other debt with lower-rate offers if you can find them. If you can refinance your mortgage affordably, that is another good way to attack the spending side of your budget.

And what do you do with that extra money? First, make sure you have an emergency fund that contains 3-6 months of money to cover living expenses. Then start putting money away for retirement. After that, money for the kids' college fund. Besides that, extras like vacations, entertainment, and other treats.

If this approach seems a bit Spartan, it is a good starting point – indeed, every individual defines the term “financial essentials” a bit differently. But it is important to start prioritizing financial issues correctly. For help, it makes sense to consult a professional like a qualified financial planner and a tax expert to identify ways to save and tip more money into a solid financial future.

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# Creating and Supporting Respectful Communication in the Workplace

During periods of civil unrest, natural disasters, or other tense times, it is not unusual for events happening outside of the workplace to distract and disrupt the thoughts, responsibilities, and interactions of employees. It is common for employees at all levels of employment to want to stay informed of what is happening outside of the workspace and to share their concerns about developments as a way to work through anxiety, uncertainty, and personal distress.

While the workplace may not be an appropriate environment for such concerns to be addressed, many employers understand that tense times are emotionally challenging and employees will be affected in many different ways. Organizations will recommend that employees acknowledge when they are feeling anxious or overwhelmed and take advantage of the support services that are available through employee assistance programs to help reduce the impact those feelings can have on one's wellbeing.

Another way of addressing tensions outside of the workplace is encouraging employees to consider their interactions with each other. Some events may reveal that employees do not share the same perspectives or positions on an ideological spectrum, which can easily lead to disagreements and additional and unnecessary tension in the workplace. By focusing on maintaining a respectful environment, employees can help each other through difficult times without alienating each other or creating new conflicts that can lead to additional disruptions and potential disciplinary measures.

**Self-monitor what you say and do.** Employees are ultimately responsible for how they interact with each other in the workplace. When exchanges become tense or heated, it can be very easy to forget that you are at work and respond in a language and with an intensity that is inappropriate for the working environment. Remember that there is an appropriate time and place for talking about tense topics or debating against the viewpoints of others.

**Cool yourself down.** If you find yourself in a tense exchange and feel as if you are becoming heated or about to lose control, disengage from the conversation. You may wish to spend some time learning about your unique triggers that can easily increase your intensity level. These may include certain words, reminders of certain events, or the way certain individuals engage with you outside of work-related needs that can make you feel anxious or angry. When you feel tensions rising, walk away and take a few deep breaths to help you regain your composure and your sense of control.

**Follow your organization's guidelines.** Not everyone you encounter in the workplace will share your perspective, and choosing to share or promote certain beliefs during the workday may be considered inappropriate. Review your employer's guidelines for what is appropriate in the workplace to avoid putting yourself and your career in professional jeopardy. If you are unsure of what is appropriate, speak with your manager or a member of your organization's human resources department to clarify any questions you may have.

**Understand your rights and the rights of your coworkers.** Some states permit employees to hold political positions and engage in political activities when away from the workplace. There may be protections in place to keep an employee's rights outside of the workplace from being violated by employer policies. Review the laws of your state to determine what your rights are for political participation. It is important to understand that while you may be permitted to participate in political activities away from the workplace, political talk, or engagement while in the working environment may not be protected.

**Be an active participant in an inclusive workplace.** Your workspace is made up of many different people with ideas and beliefs that may be wildly different from your own. While you may not always agree with what your coworkers say or believe, you are all working together toward the goal of making your organization a successful and sustainable workplace. Consider what you can do, especially during times of traumatic experiences, to support your coworkers by helping them avoid the anxiety and distress that can unsettle their lives and your workspace.

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