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Taking the Stress out of Money

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Taking the Stress out of Money

Abstract

"Here's a secret: budgeting doesn't have to be anxiety-inducing. In fact, it shouldn't be, at least not according to Jesse Mecham in his new book *You Need A Budget*."

Posting about family finances from *In All Things* - an online journal for critical reflection on faith, culture, art, and every ordinary-yet-graced square inch of God's creation.

<https://inallthings.org/taking-the-stress-out-of-money/>

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Disciplines

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Comments

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Taking the Stress out of Money

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Kayt Frisch

January 19, 2018

Title: You Need a Budget: The Proven System for Breaking the Paycheck-to-Paycheck Cycle, Getting Out of Debt, and Living the Life You Want

Author: Jesse Mecham

Publisher: Harper Business (December 26, 2017)

Paperback: 224 pages

Price: \$15.00 (Hardcover)

ISBN: 978-0062567581

I have a confession to make: I have never—even in my adult life—balanced my checkbook. To my husband and I, it always seemed good enough to just make sure that we didn't spend more money than we had. Then we had a child, and we bought a house (in the same month); after that, we noticed that our bank account started falling rapidly (and not just because of the down payment). So, in our early 30s, we found ourselves thinking about paying more purposeful attention to where our money was going. We needed a budget.

Many situations lead people to the realization that they need to pay more attention to their money—student loans, car repairs, the desire to have a family, buy a house, go on vacation to Hawaii... you name it. Maybe you are in one of those situations right now, and maybe you (like us) are scared of the idea of a budget—it sounds so limiting and stressful (“Does a grocery budget mean that we have to eat ramen noodles for the last week of the month?”).

Here's a secret: budgeting doesn't have to be anxiety-inducing. In fact, it shouldn't be, at least not according to Jesse Mecham in his new book *You Need A Budget* (Harper Business 2017). The introduction begins, “If you're reading this book, money stresses you out in some way” and continues on to address the spending question that paralyzes many people: “Can I afford this?”—and its cousin, “Should I spend money on this?” Mecham observes that people end up plagued by these questions for one of three reasons: they aren't confident they know what is best, they don't have a system for making decisions, and/or they are scared to learn the truth about where their money goes. In other words, how do you align your spending habits with your life and priorities?

Mecham dedicates the rest of the book to guiding readers in developing a budget that works for them. He begins by helping reimagine how one approaches money, and then dedicates the next four chapters to the four “you need a budget” (YNAB) rules for managing money (i.e. budgeting). These rules are the following:

1. Give every dollar a job (every dollar you currently have in any account);
2. Embrace your true expenses (all of them, even the once-every-other-year ones);
3. Roll with the punches (things change – your budget needs to be flexible to accommodate that); and

4. Age your money (get to a place where you can spend dollars now that you had earned two months ago).

The foundation of the YNAB system is recognizing what your priorities are and assigning your money to those categories. After you've assigned money to your basic obligations (food, housing, etc.), you can assign money to other jobs that match your priorities, which will lead you to be able to ask questions you can answer about your money: So, you want a daily latte from the local coffee shop? Well, do you have dollars assigned to your "daily latte" category? Great. Then buy the latte guilt free—understanding that assigning your dollars to that category was a conscious decision. You decided to put those dollars in "daily latte" and not "Hawaii vacation" or "rent" or "loan payments." Mecham expands on these ideas, guiding the reader to identify how these play out in his or her own unique situation.

After introducing the basics, Mecham also discusses important related topics like budgeting as a couple, debt reduction, and introducing money to kids. The book concludes with a chapter on quitting—knowing that there will be times when you want to quit, he talks frankly about how to work through those times (and tells the story of the donut that almost broke his budget).

You Need A Budget is not a budget book that presents "spend less" and/or "earn more" as the solution to money stress. Mecham acknowledges that in some situations these mottos may be an appropriate part of taking control of your money, but even then they're only a part of the answer—the real solution is in assigning every dollar a job. The power of the YNAB approach lies in the flexibility of its overarching principles: give every dollar a job, but recognize that no one set of jobs fits every person/family. Throughout the book, Mecham emphasizes flexibility by introducing you to real people who have benefited from YNAB in whatever their situations (including himself and his wife when they were broke newly-weds with one still in school and one hourly income while his wife dreamed of being a stay-at-home mom).

Wherever you are on your budgeting journey, you will find *You Need A Budget* to be a thought-provoking read that will encourage you to take a fresh look at how you steward your money. What jobs should your money have?