

ALLISON BAGGERLY

**MONEY**

MADE

EASY

---

HOW TO BUDGET,  
PAY OFF DEBT, AND

SAVE MONEY

WILEY



## **Additional praise for *Money Made Easy***

“If you’ve been feeling stuck in a rut with your money, then this book is your road map to financial security. *Money Made Easy* will both inspire and equip you to take your current financial situation to the next level, no matter where you are starting from.”

**—Talaat and Tai McNeely,**

His and Her Money ([www.hisandhermoney.com](http://www.hisandhermoney.com))

“*Money Made Easy* is an encouraging, deeply relatable detailed guide to financial success. It’s a financial multivitamin.”

**—Julien and Kiersten Saunders,**

authors of *Cashing Out: Win the Wealth Game by Walking Away*



MONEY MADE  
EASY



# MONEY MADE EASY

How to Budget, Pay Off Debt,  
and Save Money

ALLISON BAGGERLY

WILEY

Copyright © 2023 by Allison Baggerly. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 750-4470, or on the web at [www.copyright.com](http://www.copyright.com). Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at <http://www.wiley.com/go/permission>.

Trademarks: Wiley and the Wiley logo are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries and may not be used without written permission. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc. is not associated with any product or vendor mentioned in this book.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Further, readers should be aware that websites listed in this work may have changed or disappeared between when this work was written and when it is read. Neither the publisher nor authors shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

For general information on our other products and services or for technical support, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993 or fax (317) 572-4002.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic formats. For more information about Wiley products, visit our web site at [www.wiley.com](http://www.wiley.com).

***Library of Congress Cataloging-in-Publication Data is Available:***

ISBN 9781119894964 (Hardback)

ISBN 9781119894971 (ePDF)

ISBN 9781119894988 (ePub)

Cover Design: Wiley

Cover Images: © Nadiinko/Getty Images

Author photo: © Allison Baggerly

*To my husband, Matt. Your encouragement and belief in what I  
can do never wavers. Thank you for that.*



# Table of Contents

<i>Preface</i>	<i>xi</i>
<i>Acknowledgments</i>	<i>xiii</i>
<i>About the Author</i>	<i>xv</i>
<b>1 Finding Your Catalyst</b>	<b>1</b>
<b>2 Money Habits and Money Mindset</b>	<b>15</b>
<b>3 Creating Your Budget</b>	<b>47</b>
<b>4 The Secret Behind Successful Budgeting</b>	<b>75</b>
<b>5 Paying Off Debt While Enjoying Life</b>	<b>95</b>
<b>6 Saving for Emergencies</b>	<b>121</b>
<b>7 Setting Up Sinking Funds</b>	<b>137</b>
<b>8 Goal Setting: The Ultimate Game Changer</b>	<b>155</b>
<b>9 Conquering Impulse Spending with Intention</b>	<b>177</b>
<b>10 Working with Your Partner</b>	<b>201</b>
<b>11 Accelerating Your Financial Progress</b>	<b>219</b>
<b>12 How to Stay on Track with Your Money</b>	<b>229</b>
<b>13 Investing for Your Future</b>	<b>249</b>
<b>14 Conclusion</b>	<b>269</b>
<i>About the Website</i>	<i>273</i>
<i>Index</i>	<i>275</i>



## **Preface**

I'm guessing you grabbed this book because you feel stuck with your money. Maybe your parents never taught you *how* to manage money properly because they were trying to figure it out along the way. Chances are you didn't learn about personal finances in school either.

Fast-forward to today, and here you are: holding this book, knowing deep down you want to be better with your money. You want to be able to pay off debt, take a family vacation, *and* save for retirement. You don't want your stomach to drop every time your beloved dog has an unexpected vet visit or your electricity bill is higher than you had anticipated.

Ultimately, you want peace of mind when it comes to your money. You want the freedom that managing your money well offers you.

I get it, and I've been there before. Years ago, I stood exactly where you are: holding a book, searching for answers. I wanted to know how I could change my money habits so I didn't feel *stuck* all the time.

To be honest, I didn't ever think I'd end up here—writing a book about how to make money easy. Mostly because money *wasn't* easy for me. I made a lot of mistakes with money, some of which you'll learn about in the pages of this book. But I also learned a *lot* of lessons. Lessons that taught me how I could have a positive relationship with my money and my budget and love my life in the process.

This book will offer you a step-by-step system to make money easy once and for all. You will be encouraged to look at your money

through a completely different lens than before. You'll be challenged to question what society tells you is "right" about money and set goals that motivate you to make amazing financial progress.

No matter where you stand with money, this book is for you. The stories within these pages will inspire you, and the information will help you change your relationship with money for good. This is just the beginning!

## **Acknowledgments**

**T**his book wouldn't be a reality without the support of my husband, Matt. Thank you for believing in me, cheering me on, and supporting this big, crazy goal. Without you, our story would just be a daydream. I look around at the life we've built, and I can't help but remember what you said many years ago...*This will do.*

To my children, Evan and James. You are both the reason I wanted to change my life for the better. At the time, I did it for you. But you have both taught me that I alone am worthy of change. Evan, thank you for offering to write chapter 5 for me. James, thank you for the endless hugs when I was doubting myself. As I always say: you both make my heart happy.

To my parents, your endless support and help does not go unnoticed. Thank you for offering to step in when I need extra help. Mom, thank you for being my biggest cheerleader of all. You believe in me even when I don't believe in myself. My greatest goal is to be the type of mother for my children that you are to me.

To Amanda, you have been there to listen and encourage me every step of the way as I grew as a person, wife, and mom. You cheered me on as I built a business out of thin air. You've seen me at my best and at my worst—and you loved me through it all. Your friendship is unmatched, and I am beyond thankful that you accepted my offer to sit at my table that fateful day in college.

A special thank-you to Chris Browning and Bola Sokunbi. Chris, thank you for always believing in what I can do, even when I doubt you at first. Thanks for being there to tell me, "I told you so" when I

reach new heights. Bola, thank you for helping me turn the idea of writing a book into a reality. You are generous with your encouragement, time, and kindness. I'm lucky to call you a friend.

To my team at Wiley: Carla, Sheck, and Kelly. Thank you for standing by this book and having the confidence that it can have an impact in the reader's life. Without your support, this book would only live in my mind.

To the Inspired Budget Community and everyone who has welcomed me into their life—thank you. My mission is to inspire you, but in a surprising turn of events, you have inspired me. You have taught me to dream bigger, step out of my comfort zone, and believe in myself more than I ever could have imagined. Thank you for giving me the space to teach, encourage, and motivate you on every step of your money journey.

## ***About the Author***

**Allison Baggerly** is a blogger, author, influencer, speaker, podcaster, and founder of Inspired Budget, which is proudly a Hispanic and women-owned business. A former teacher, Allison blends her talents for teaching with her passion for personal finances to help others learn how to start budgeting and build a life they love.

Allison and her husband paid off over \$111,000 of debt on two teachers' salaries while growing their family. During the process, she learned how to take back control of her money, stay consistent with paying off debt, and stop emotional spending once and for all.

Allison has been featured in *Forbes* and *Parents* as a budget expert who gives women a step-by-step process to break free from the grueling paycheck-to-paycheck cycle. Women turn to Allison, and Inspired Budget, for advice and inspiration every single day.



# **Finding Your Catalyst**

I sat at the kitchen table with my head in my hands. Tears streamed down my face as my husband and I were hit with the reality of how far out of control our finances were. We had just found out we were unexpectedly pregnant a few weeks after getting married. After completing some simple math, we realized we would not be able to afford monthly daycare payments.

My husband and I totaled up exactly how much debt we had: \$111,108.29 (not including our mortgage). Our minimum monthly payments totaled over \$1,400 each month. I did a double take. Surely we had made a mistake when adding all of our debt into the calculator! For two teachers, this might as well have been a fortune.

What were we going to do? How would we pay for childcare? Don't kids eat a lot? How would we afford groceries? And *oh my goodness don't hospitals cost a fortune?!*

Anxiety and fear clouded my mind. I couldn't think straight. I just wanted to pretend that we didn't have a problem. I wanted to go back to when we thought everything was perfectly fine. I wanted to believe our money wasn't an issue.

That day at the kitchen table in our small apartment sat two twenty-something adults who had no clue how to pull themselves out of the mess they had created. I felt like we were standing at the bottom of a mountain and had no idea how to climb to the top. We didn't have a path to take, a map to follow, or the tools to get there.

That moment was our breaking point, our rock bottom. To be honest, my spending habits were downright embarrassing and completely unhealthy. My husband, the saver in our marriage, let me spend money because he thought it would bring me joy. “Happy wife, happy life” they say! Unfortunately, my temporary happiness from buying stuff I could not actually afford was setting us up for a world of pain and debt. And our previous choices about taking out massive amounts of student loans left these two schoolteachers feeling completely hopeless.

Teachers are underpaid, overworked, and usually have to supplement their income in some way. I almost resigned myself to the idea that I’d always be waiting on my next paycheck and never be able to go on a nice vacation or live in abundance. My immediate thought was that we would forever feel trapped and suffocated by debt and money. I figured we would never have enough. Enough money, enough freedom, enough peace of mind.

*But then a little voice in the back of my head whispered something.* It said, “What if it doesn’t have to be this way? What if two teachers can defy the odds?”

## **Beginning the Journey**

I didn’t know *how* we were going to get out of debt, live on less money, and fix the financial situation we found ourselves in. We had *years* of bad spending habits and mindset issues to unpack. But I knew I could figure it out along the way because I was motivated to live a different life than where we found ourselves. My husband, Matt, and I both knew that it would take work to pull ourselves out of crippling debt on two teacher salaries.

I wish I could tell you that we would have made this choice even if we didn’t find ourselves pregnant just a few weeks after getting married. In a perfect world, Matt and I would have made this

decision because we wanted it for ourselves as a couple. But I can't tell you that because it would be a lie.

We decided to completely change our financial situation because we *had* to do something different. We took this step to get our money under control for our baby to be. The baby that we didn't even know we wanted. The son that caught us off guard, forced us to take a long look at our life, and do something uncomfortable for someone else. We *had* to put him first. He was our motivation. He was our catalyst. Evan, our precious boy, was our driving force to sacrifice in areas of our lives for a period of time so that we could live in abundance for the rest of our life.

Yet as we continued on our financial journey, our catalyst became even greater than just our son. We wanted it not *just* for him and our second son, James. We wanted it for *us*. We wanted to reach financial success, pay off debt, and be a story that could motivate others.

**Our journey began out of desperation. Yet as time went on, it turned into a journey that would create a generational shift for our family.**

That day while sitting at my hand-me-down kitchen table surrounded by wobbly IKEA kitchen chairs, I wiped my tears away and decided that this was the moment our lives would change. Matt and I jumped with two feet into the unknown world of managing our money. We had zero knowledge of what we were doing (they don't teach this stuff in school), but we knew we could figure it out as we went.

*We just had to start.*

Matt and I eventually paid off over \$111,000 of debt on two teacher salaries. During our almost five-year journey of paying off

debt, we made more mistakes than I care to admit. We weren't perfect. We had moments where we wanted to give up. We were faced with unexpected expenses that set us back months at a time. But after a journey that felt like an eternity, we did it!

Matt and I worked together to create a strong foundation for managing our money, and for the rest of our lives we will reap the rewards of building that foundation. I learned how to conquer impulse spending, how to write a budget that *actually* works, and what to do when I trip and fall along the way. We created our own money management system that worked, and it's the one we still use to this day.

The memory of feeling defeated and hitting rock bottom is just that: a *memory*. It's no longer our financial truth.

But I know rock bottom might be your current *reality*. I know you might be struggling just to keep up with your expenses. You might be hurting and feeling defeated because you have more bills than money coming in. Maybe you feel like a failure with your finances or completely out of control with money. The shame and guilt might keep you up at night.

If that's you, please know you don't have to live in this space forever. You can pick yourself up, defeat the odds, and change your finances. You are capable of more than you likely give yourself credit for. It will take work, but I promise you that it will be worth it!

## **The Catalyst Is Your Motivator for Change**

The first step, and arguably the most important step, is to find a catalyst to change your money situation that is so strong, you won't give up along the way.

Managing your money better, paying off debt, and saying no to impulse purchases takes an enormous amount of discipline. It likely takes more discipline than you're used to. We live in a world

that tells us to spend more, put purchases on a credit card, and find happiness from *stuff*. Society tells us that we shouldn't have to wait for *anything*. Do you want new furniture? Finance it! Want to trade in your current car? Just roll it into your next car payment! Can't afford that beach vacation? That's what credit cards are for!

Many people lack the patience to save up for large purchases and eventually find themselves buried in debt. It's easy to get caught up in the exhilaration of buying something new just for the thrill of it. This temporary happiness is present for a moment, but when the excitement of a new item wears off, we are left with the same feelings as before.

I say all this from experience. The first time I bought an "adult" car, it was partly out of necessity. I had a baby on the way, and my car at the time was a two-door Chevy Cavalier with a junk title. I didn't feel comfortable driving around with my newborn son in a car that had been totaled before.

I'll never forget taking my new car out for a test drive. It had a sunroof, leather interior, and automatic windows (I had *never* had a car with automatic windows before! Oh, the luxury!). It even had the number one item on my wish list: a CD player. When I test-drove that pre-owned Toyota Camry, I felt on top of the world.

*Side note: I realize how lame this sounds as I type it out. However, this was the nicest car I had ever driven, had features my previous car never had, and is my truth—so I'm going to own it!*

I remember driving away from the dealership, breathing in the smell of the leather seats, and thinking, "This car has made me so *happy*. I'll never get over this feeling." What I didn't know then that I know now: feelings from material possessions fade. My car brought me *temporary* joy and happiness. To think I would never

get over the happiness of a car, just an item in my life, was short-sighted, to say the least. I know that now.

Yet, the world tries to tell us that spending money is the key to happiness. So many people fall for it, myself included. We spend money emotionally to run away from our feelings or provide the thrill we've been missing. It's a constant battle, and one that most people don't even realize they are facing.

Breaking free from what the world tells us we "should do" isn't easy. It takes a great motivator, or as I like to call it, a catalyst for change. **A catalyst is your reason for changing the way you spend and manage your money. It's *the* reason you will sacrifice for a period of time so you can live in abundance the rest of your life.**

Your catalyst will keep you moving forward when others tell you to give up. It will help you stay motivated when you question *why* you are working to become debt free or live on less than you make. It will be your strength when the world tells you that spending money is the key to happiness. It is your north star, guiding light, and ultimate motivator.

## Identifying Your Catalyst for Change

When my husband and I started our money journey in 2012, our catalyst was our first son, Evan. His presence was unexpected and turned our world upside down. We had plans for our marriage, but having a child in the first year of marriage wasn't in our plans.

Evan led us to look at our lives, money, and future through an entirely different lens than we had before. We knew that if we wanted to pay off debt, build wealth, and offer our children a certain life, we would have to make sacrifices in the present moment.

**How do you determine your own catalyst for change?** How do you find a catalyst that will be strong enough to stand up against

society and years of money habits that leave you wanting to spend money? How do you find *the* thing that will be stronger than your emotional desire to go into deep debt for the car you've always wanted? How do you find a motivator that will last the length of your journey—especially if you'll be working on changing your finances for years on end like we were?

You might have *no idea* what your catalyst for changing your financial situation should be. It might take you time to determine your own catalyst. You might have to think through your future, goals, and dreams. Journaling and asking yourself hard questions can sometimes help you uncover the catalyst that will carry you through your financial journey. On the other hand, your catalyst might already be staring you in the face and be clear as day.

Sometimes your catalyst is found when you've hit your rock-bottom moments. It reveals itself when you're at the end of your rope, stressed, overwhelmed, and aware that something has to change. It's sitting there next to you when you have your head in your hands, tears streaming down your face, and there's a deep knowing that *you want something different for yourself and your family*.

It's in these rock-bottom moments that our catalyst appears and becomes the driving force for a different life. It becomes *our reason* for picking ourselves back up, dusting ourselves off, and committing to doing something *different* with our money. My family's catalyst revealed itself in our own rock-bottom moment. While this was difficult to realize, it was enough of a driving force to stay committed to our financial journey for years on end. It was strong enough for us to change our money habits, face our financial truth, and prioritize our needs over our wants.

Your catalyst for change might lie in the seemingly small, annoying, and frustrating moments that add up over time. Moments such as having your debit card declined at the grocery store or realizing you've been hit with yet another overdraft fee. Your catalyst might

reveal itself to you in the arguments you have with your spouse about money or the feeling of dread as you open the mailbox and see yet another bill you have to pay. Your catalyst could stem from the sleepless nights where you worry about your finances. Or maybe it's the desire to simply take a vacation every year without going into debt. These small moments add up over time to create a catalyst for you: the desire for control and confidence with money.

Your catalyst for change could also be a person. Maybe that person is you (you are a worthy reason to change your finances and manage your money better!). Maybe that person is your child or even a niece or nephew. Your catalyst could even be your parents. I've known people who witnessed their parents stress about money and saw firsthand what happens when you hit retirement with little money saved. The burden fell on the children. While this person loved their parents with all their heart, they wanted a different life than what was modeled for them. Their catalyst was generational change.

Whatever it is, your catalyst must be strong enough to carry you through this journey to managing your money better, living on a budget, and paying off debt even when it becomes an inconvenience. It must be bigger than the desire to succumb to what the world tells you about money. **Your catalyst needs to be in the forefront of your mind and be greater than the frustrations you might face along the way.**

Before you move forward on your financial journey, I want you to determine your catalyst for change. Take a moment to think about *why* you picked up this book. Why do you want to budget better, or start budgeting altogether? What makes you want to become debt free and save money? The ultimate goal is to dig deep enough to find a reason that will hold strong through the temptation to overspend, go into debt, or give up on your money journey. While you'll never be perfect, your catalyst will

be the reason why you stand up after you fall, decide to budget even when you don't feel like it, and slowly make changes with your money.

Use the Catalyst for Change Worksheet to help identify your own catalyst for change. You can use the one provided here or download the worksheet from [www.inspiredbudget.com/moneymadeeasy](http://www.inspiredbudget.com/moneymadeeasy).

### **Catalyst for Change Worksheet**

Why do you want to budget better, or start budgeting altogether?	
What could you accomplish or do if you no longer had debt payments?	
What dreams do you have for your future?	
Who do you want to live a different life for? (It could be yourself or a family member.)	
How does your current financial state make you feel?	
If money was not an issue in your life, how would you spend your days? What would you do?	
If money was not an issue in your life, how would you feel?	

# Real-world Examples

Over the years I've had the joy of hearing from hundreds of people about their driving forces for change. People come to me when they've hit their rock-bottom moments or are fed up with their financial situation. They come to me when they desperately need a catalyst for change. I've helped guide others to find their own driving force for change.

Table 1.1 provides a list of common catalysts that *many people* have set as their motivator to take back control of their money, spending, and debt.

**Table 1.1** Common Catalysts for Change

<b>Catalyst</b>	<b>Desired Change</b>
My future family	<i>Someone wants to have a child but has health concerns that might affect their ability to safely carry a child. They want to become debt free so they can afford adoption or a gestational carrier.</i>
My current family	<i>Someone wants to be a stay-at-home mom but can't do that unless they pay off debt and reduce monthly payments.</i>
Generational wealth	<i>A person has seen their parents live paycheck to paycheck their entire life and wants to break this cycle for future generations. Their goal is to create wealth for generations to come.</i>
Rewrite family history	<i>Someone has experienced how debt and money stress affected their parents. They want to rewrite their family history and have the freedom that becoming debt free offers.</i>
Myself	<i>Someone wants to put themselves and their future first. They want to let go of their past money choices. Paying off debt, saving, and investing is a form of healing for this person.</i>
A job I love	<i>Someone wants to escape a career that they don't love. They want the freedom to leave their job and know that they are secure financially.</i>
My child	<i>Someone wants their son or daughter to see what financial security looks like. They want to be a model for what it means to be financially successful.</i>

<b>Catalyst</b>	<b>Desired Change</b>
A better life	<i>Someone wants a better life than what was modeled for them. They want to break free from any harmful money habits not just for their family but for themselves as well!</i>

No matter what your catalyst may be, hold it close to your heart. It will be *the* driving force that will get you started and keep you motivated as you learn how to manage your money better.

In the beginning, your catalyst will likely be the only thing keeping you focused and moving forward. Yet as time passes on, you'll have to rely less and less on your catalyst to keep you motivated. Instead, you will have developed helpful money habits that make sticking to your plan easier! This simple fact caught me off guard during our journey.

## **Creating Internal Motivation**

When Matt and I first started budgeting, I *hated* the idea of writing a budget. The entire process felt forced, frustrating, and left me feeling deprived. I figured I would only write a budget until we were debt free. I daydreamed about walking into Target, which I lovingly refer to as “The Motherland,” and filling my cart to the brim with items I wanted but did not *need*. I would shop until my heart was happy and the trunk of my car was full. No budget would keep me from spending my money how I wanted! I vowed that once we became debt free, I would be done with budgets *forever* (clearly, the joke was on me because now I'm writing a book about budgeting!).

Little did I know that as time went on, I no longer needed to rely on my catalyst to motivate me. Budgeting and managing my money better were no longer simply tasks I completed. It was no longer something I “did” each day, week, or month. Thinking through my spending was no longer something I had to remind myself to do.

In fact, I actually *looked forward* to budgeting each month (*who was I, and what had I done with past Allison?!).*

The idea of writing a budget, tracking my expenses, and making a plan for my money gave me a new confidence and feeling of security I had never had before.

Budgeting and taking control over my finances had become part of my identity. I wasn't just budgeting each month. *I was a budgeter.* I wasn't just checking off boxes on a list to have control over my money. Instead, managing our finances became part of who I was. I looked forward to payday so I could move money to savings, pay off debt, and take one step closer to our money goals. Over time my money habits naturally changed. I no longer had to force myself to think about my money in a better light, it all came more naturally to me.

It was in that moment I realized I no longer needed my catalyst (our children) to motivate me. While they were, and still are, great motivators for living a better life, I have the motivation within me now. It's a part of who I am. **I have the internal motivation to continue handling my money in a positive way instead of relying on an external motivator.**

You'll be able to experience this as well! As time goes on and as you continue to make small decisions each day about your money, you will develop the internal motivation you need to keep going. You will no longer rely on the catalyst that got you started at the beginning. Your money habits and thinking will change. This takes time. It took *years* for me to realize this, but it's an amazing place to be!

Now it's your turn.

Take a moment to think through your catalyst for change. Before you do *anything* to improve your money or financial situation, what is *the* thing that will keep you motivated when you get started? What is the catalyst that will keep you working on your money when you