

A Conversation with Kumiko Love, Founder of The Budget Mom

Q. Let's start at the beginning: When and why did you launch The Budget Mom?

A. It all started when I graduated college. I was dealing with a lot of negative feelings over my student loan debt on top of credit card debt—I came out feeling kind of lost and alone. There were a lot of nights when I was scared or stressed.

It took me six months to write out my first budget. It was in Excel, and it was probably horribly wrong. I had no idea what I was doing.

It's funny: I graduated with a finance degree, but my education had to do with corporate finances. I never learned personal finances, either in school or at home—you know, the saving, paying off debt, how to handle my own paychecks. So I spent more than a month trying to figure that out, searching for answers online.

One of the things that frustrated me most was that while online resources told me how to budget and gave me examples, they didn't answer a burning question: Why? Why are you making the decisions you're making? What are the emotional, psychological forces driving you to make these choices? I want to know why it's a good choice and why I should apply it to my own life, and no one ever got me that far.

Then, boom: I got pregnant. It was an unplanned pregnancy, and suddenly, it was no longer about me trying to figure it out. It was a must—I had to figure it out. I was a first-time mom and knew I'd have this itty bitty human being completely dependent upon my decisions. That was very scary for me.

Q. So your need for financial answers became somewhat urgent and deeply personal.

A. It brought back so many memories of what my mom sacrificed for me as a child. My mom was a single mom to both me and my sister, and looking back, I see all the things she did for me: paying for my sports. Paying for a ski weekend with my class.

Now, as a mom, I realize how she sacrificed. I see the two jobs she had to work in order to provide all of that for us.

And I didn't want to struggle with my son. So I got really serious about researching all of the different budgeting methods that could possibly work for me: the percentage method, the paycheck method, the calendar method. You name it, I tried it, and every single time, I would fail.

I got so discouraged. I remember nights awake, just crying, thinking, *I can't figure this out. I have a finance degree! I work at a financial advisor's office. Why am I not smart enough to figure this out?*

Then, I started thinking again about these budgeting methods and the pieces that actually did work for me. I wondered what would happen if instead of adhering to one system, I pulled the pieces that worked for me from all the systems and created my own budgeting approach. And sure enough, it worked.

Q. You're a combination of self-taught, like you've just described, and traditionally educated. You have a finance degree, but you're also an Accredited Financial Counselor. What does that mean? **A.** During that first exploratory process, as I learned all of this cool stuff about finances, I decided to get my Accredited Financial Counselor designation because I wanted to learn answers to those burning questions I still had about the psychological reasons behind our financial choices.

I was still working in a financial advisor's office, so one of the things I had to be very careful about was picking a financial counselor designation that was approved by FINRA, the governing body of financial institutions. There are a lot of financial counseling resources out there. I went with AFCPE because it's the only accredited financial counseling designation approved by FINRA, which means there are higher restrictions and continuing education requirements.

I'd already been in the financial industry for almost six years when I started the accreditation process. All I had to do was study and take a test. So, I took eight months to study at my own pace. As a single mom raising my kiddo, I had to study at night.

In the program, I started finding all the answers to my questions and was like, "Oh my gosh! This is what would have changed my life a few years ago!" I wanted to scream what I'd learned from the rooftops. So, I opened my laptop in 2016 and wrote my first blog article for The Budget Mom. When it comes to my finances, I've let people into my personal life because I feel like when you see someone else working through it all and exploring the motivators and emotions behind financial decisions, it all becomes a lot more relatable. That's how hope is built—and inspiration and confidence. And those are the three main things I want people to gain by coming to The Budget Mom.

Q. It doesn't seem like anybody else is talking about the emotions and psychological side of budgeting. A. Right? It's crazy! When I share just a little bit of my day-to-day spending choices on Instagram, it makes budgeting human and livable. We're not all supposed to be perfect and stick to a rigid budgeting plan. Life happens. This gives my readers the confidence to say, "You know what? I had a really bad day today. I'm tired. I don't want to cook at home to save a few dollars. I want to order a pizza for my kiddos and have a good night." And then just totally skip over the guilt or feeling like you've failed because of that decision.

If you feel like you're failing, you won't continue to strive to get better with your money. You get frustrated, and you give up. I try to show that stepping outside the box isn't failing. It's reality. And I show it by sharing my own life.

Q. You are specific about who you hope to reach. You say you want to empower women. Why women? A. So many of my readers are single moms or women between the ages of 24 and 35. I resonate with them because we relate to one another. When I started The Budget Mom, I feel like not only were these people trying to find me, but I was trying to find them. I was searching for a supportive outlet—a tribe.

A financial conversation is not an easy one to have with members of your family, let alone strangers. I wanted to find a big tribe to go to when I was having a bad day—people I could share personal details of my life with and to build trust and support.

I have the best readers in the world. As I prepared for my recent new product launch, I received close to \$800 in online Starbucks giftcards from my tribe, with notes saying, “Hey, keep up the good work.” We have a personal connection. The number one comment I get from women who have read my blog is, “That’s me! I’ve been there! I’m there!”

I’m just a regular girl and a single mom, raising my son. I’m a sister and a friend, sharing my journey.

Q. You just mentioned your new product launch: What is it? A. We just launched the physical, shipped edition of my Budget-by-Paycheck Workbook™. Up until this point, the Budget-by-Paycheck Workbook™ has been completely digital, and my readers would print it off at home and put it into a binder themselves. It’s 240 pages and walks people through my entire Budget-by-Paycheck Workbook™ method. If you take 240 pages to a place like Staples, it’ll cost about \$80 to print. I have been getting feedback from many readers who didn’t have access to a printer or extra money for ink, and I thought to myself, there has to be an easier, affordable way for me to create physical copies in bulk.

So, I found it! And we launched the new Budget-by-Paycheck Workbook™ on April 1 of this year. It's been such a huge success—it's crazy. We sold out by April 4. Now I know that physical copies of the workbook are in high demand, so we'll issue another shipment in October, and we plan to offer another round of shipments every October.

Q. What is it about The Budget-by-Paycheck Workbook™ that people love so much? A. It really comes down to my process and customizable method. There are a couple of things that make the workbook really unique, and one of them is that it's a visual system. I'm a visual learner, so I created a workbook that I'd want to use. I feel the most motivated when I can actually see the progress I'm making and I'm not just typing in numbers.

For example, My Budget By Paycheck™ method uses the highlighter method, which is highlighting your spending and breaking it down into categories. You also highlight or color debt charts and savings goal charts. Then, for people who aren't so visual in their learning, I've also included step-by-step guidance on what you need to do to create a realistic budget.

Another difference is the way it steps outside the box of a traditional monthly budget. It's no longer about squeezing yourself into a monthly budgeting format. Instead, we break it down to budgeting paycheck by paycheck—or just, simply, when you get paid.

This allows readers to budget their money in bite-sized chunks. For a lot of readers, it's hard to handle finances on such a long-term basis. Breaking down into paychecks allows you to have better control of your money.

It also allows you to come back and analyze your budget on a more frequent basis. If you're budgeting by paycheck, you have to go in and analyze, tweak and perfect as you go along every couple of weeks typically. If you're doing that once a month, things can get away from you.

My method is also different because of the process itself. You can customize the steps to any pay schedule or income level. I wanted to create a system that didn't tell my readers that they had to save this percentage of income before they started paying off debt. I want you to know it's okay to budget your own way. This is all rooted in my own experience, when I felt like I was failing because I was stepping outside of the guidelines financial experts would set for me: Save \$1,000 for an emergency fund before beginning to pay off debt, for example. Or others would say no, pay off your debt before establishing an emergency fund.

My system allows you to truly do what's right for your own finances. If you feel like your emergency fund needs to be \$15,000 instead of \$1,000, you can use my budgeting system to get yourself there. I want this to be customizable so that it works for your unique life and financial goals.

Q. What is the hardest thing about budgeting for most people? A. For most people, I think the organization of your finances is the hardest to grasp at first. You're dealing with so much information: your income, your spending, your bills, your debt, your savings goals. To budget, you have to look at your finances as a whole.

When I say organization, I'm talking about things like how do I lay the numbers out in front of me, but also, how do I choose a budgeting schedule that will really work with the income I have and the bills that are due, along with saving goals and debt I want to pay off?

Creating that plan and organizing your information for that plan in the very beginning is super hard. I struggled with it for a really long time.

Q. You've mentioned cash envelopes a few times—what are they and how do they fit into your budgeting system? A. The cash envelope method is one of those successful methods that I incorporated into my Budget By Paycheck™ method. It's fantastic for people who overspend—that was me. It wasn't until I implemented the cash envelope method that I finally felt like I had control of my spending.

In budgeting, you have fixed expenses—your bills you pay month after month. If you ask most people what their bills are, they can tell you. The numbers they don't know are their variable spending—the money leftover after paying the bills: gas, fun, clothing, coffee runs, eating out, the grocery store. Nobody really knows exactly to the dollar what they spend on these things every month, but if you pull out cash for those variable spending categories—especially those where you find yourself overspending—and you set a hard limit, your budget becomes tangible. You devote an envelope of cash to each category. So you're no longer just swiping a card, which is so easy. When you swipe a card, you don't see the end result or big picture of your spending. With a cash envelope, when you see exactly how much cash you have left, it forces you to start asking questions: Do I really need this? If I spend my cash on this, will the remainder be enough to get me to my next paycheck?

I call it making your budget tangible. I just think it brings a whole different level to your budgeting system, with hard limits that are right in front of your face.

Q. The Budget Mom blog is so strong. You write about everything from 529 plans to how to sell items on Facebook Marketplace or organize a kitchen on a budget. Where do your ideas for posts come from? A. A lot of the time, my ideas for articles come from things that are happening in my own life. I know that if I'm struggling with it, other people are too and have the same questions. My wonderful readers also give me ideas. They'll say, "Hey, I'm having trouble with this topic, could you write something?"

Personally, I'm also always trying to save money, so I like to write about that as well. I'll address these issues with a video on Instagram or a written article. That's why I'm in this business—to help people.

Q. In a blog post from February, you urged readers to not “blindly follow” a budget. Can you elaborate for us? A. Yeah, when I talk about blindly following a budget, that's creating budget for the month, tracking your spending, doing all the things you're supposed to do, then moving on to the next month before you analyze all of this important information that you gathered with last month's budget. People tend to leave it in the dust and move on. That's a mistake.

Every month, I do something called “closing out my budget.” I follow a zero-base budget, which means every dollar of my income has a plan in my spending. I want you to take the time to analyze your spending for the month by asking questions: Did you do better with some categories than others? Where are you doing really well? Where are you overspending? What goals did you set and/or reach? If your income increased, where did that additional money go? If it decreased, where did you decrease your spending?

Then we need to think about the emotions tied to these decisions. You cannot perfect a budgeting method until you look at what you've already done.

Q. How long does budgeting typically take? A. I'm not going to sugarcoat it: The first couple of months, you're going to spend a lot of time on it. It's going to be very hard. It takes a while to start having those ah-ha moments.

A lot of my readers say it takes four or five hours to just put the binder together at the beginning to get started. After the first couple of months, you should still be spending about 15 minutes every morning and every night looking at your checking account,

updating your expense tracker, looking at your budget, and making sure you're on track with your plan.

I ask my readers, "How bad do you want it?" Big rewards require work, and these results are life changing. Plus, it does get easier and easier as you move forward.

Q. What advice do you have for the person who's like you, already living debt-free? A. When I paid off my debt, it was an amazing feeling, but it was also scary. Suddenly, you have all this extra income you weren't used to having, and things can go awry.

I found myself thinking, "I have all this money! I want to go buy a new jacket. I deserve it. I'm going to get some new shoes."

I had to step back and think, "You know what? I don't need that."

My advice is to recognize your financial goals. Do I want to buy new shoes or do I want to save for my dream home? Make sure your income is being used to reach those big financial goals and the life you wanted to begin with—the reason why you started budgeting. Don't lose sight of that.

Q. What do you want to say to the mom who feels overwhelmed by her finances right now? A. Don't give up. I know that's easier said than done, and when you're overwhelmed and frustrated with your finances, it's easy to say, "This isn't for me."

I want to inspire hope for women like this. I gave up on budgeting for about a year—I've been there.

My advice is to take baby steps. If the whole entire budgeting method is too much, don't tackle all of it. Focus on baby step one: tracking your spending. Just write things

down. Get into the habit of tracking those expenses. When you feel 100% comfortable with that step, add another step. Take on one thing at a time.

This approach really applies to every aspect of our lives. It's how I look at everything, whether it's my son or my business. Tackle bite-sized chunks. Take those baby steps. You'll be so glad you did.

About The Budget Mom The Budget Mom is empowering women everywhere to regain control of their financial lives. Launched by Kumiko Love, an Accredited Financial Counselor, The Budget Mom offers tools including The Budget-by-Paycheck Workbook™, expert advice, and a supportive network. The Budget Mom blog goes far beyond other financial advice resources, offering lifestyle tips and money-saving strategies in addition to easy-to-follow explanations of financial terms. As Miko shares her own personal financial journey, abstract concepts become real-life action steps. Mom to a spirited little boy and devoted to the growing community she has created, Miko lives in Spokane Valley, Washington. <https://www.thebudgetmom.com>