COAERS

HOW TO RECESSION-PROOF YOUR BUDGET

What We'll Cover Today

- Budgeting Basics
- Smart Ways to Cut Costs
- How to Increase Your Income
- Protecting What You Have

We invite you to take what you want and leave the rest behind!

Know Your Numbers: Budgeting

Know Where You Stand Financially

Track your income

Identify your expenses

Fixed (same payment each month)

Periodic (scheduled payments outside the monthly payment routine)

Variable (routine expenses that are different each time you pay)

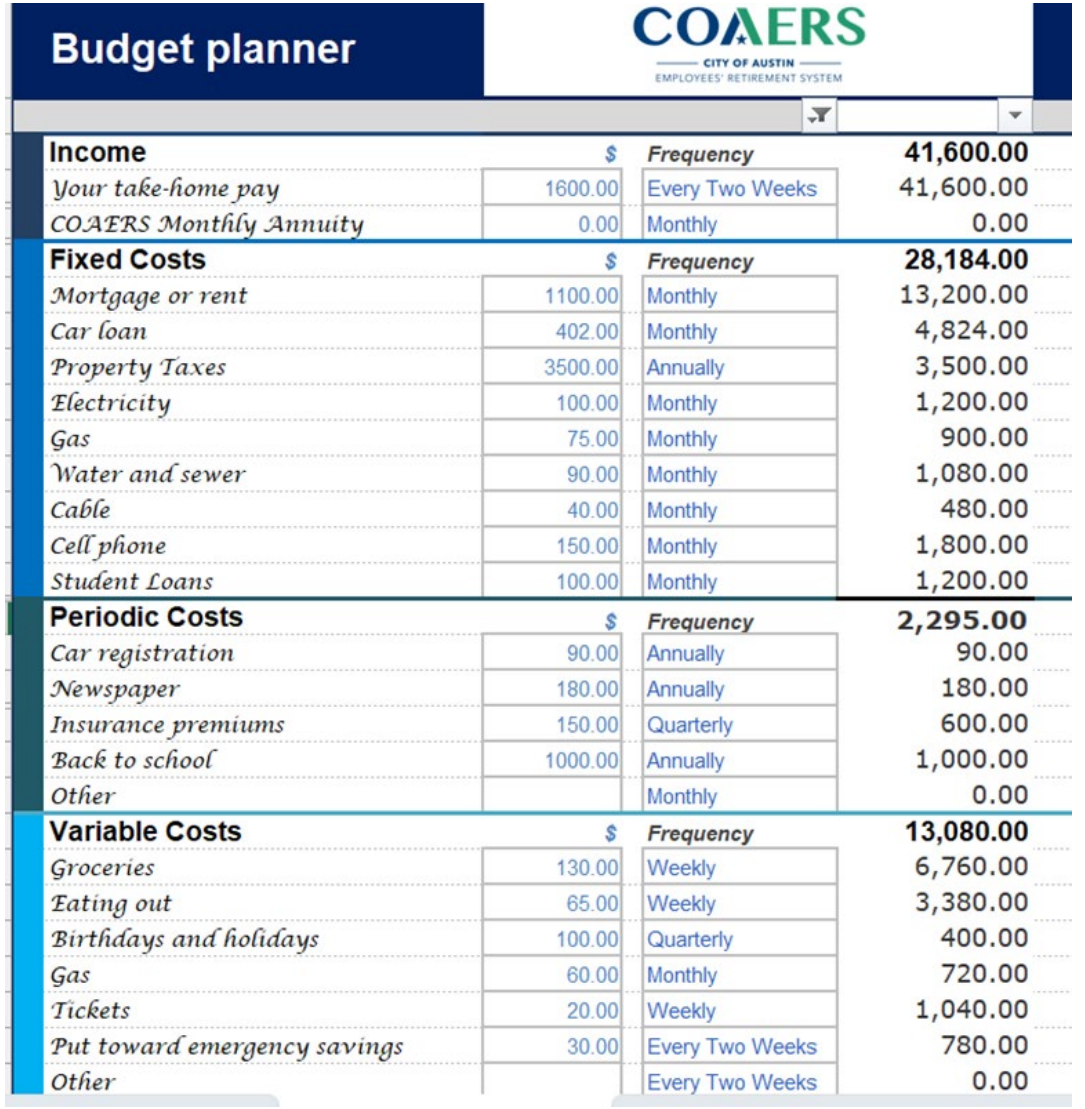
Create a "current" budget

Use the COAERS Budget Calculator by visiting www.coaers.org/budgetplanner

COAERS Budget Planner

The COAERS Budget Planner is a simple tool to log your income and spending by category.

Information entered into the planner is not retained by or viewed by COAERS.



Budget planner			
Income	**$**	***Frequency***	**41,600.00**
Your take-home pay	1600.00	Every Two Weeks	41,600.00
COAERS Monthly Annuity	0.00	Monthly	0.00
Fixed Costs	**$**	***Frequency***	**28,184.00**
Mortgage or rent	1100.00	Monthly	13,200.00
Car loan	402.00	Monthly	4,824.00
Property Taxes	3500.00	Annually	3,500.00
Electricity	100.00	Monthly	1,200.00
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Student Loans	100.00	Monthly	1,200.00
Periodic Costs	**$**	***Frequency***	**2,295.00**
Car registration	90.00	Annually	90.00
Newspaper	180.00	Annually	180.00
Insurance premiums	150.00	Quarterly	600.00
Back to school	1000.00	Annually	1,000.00
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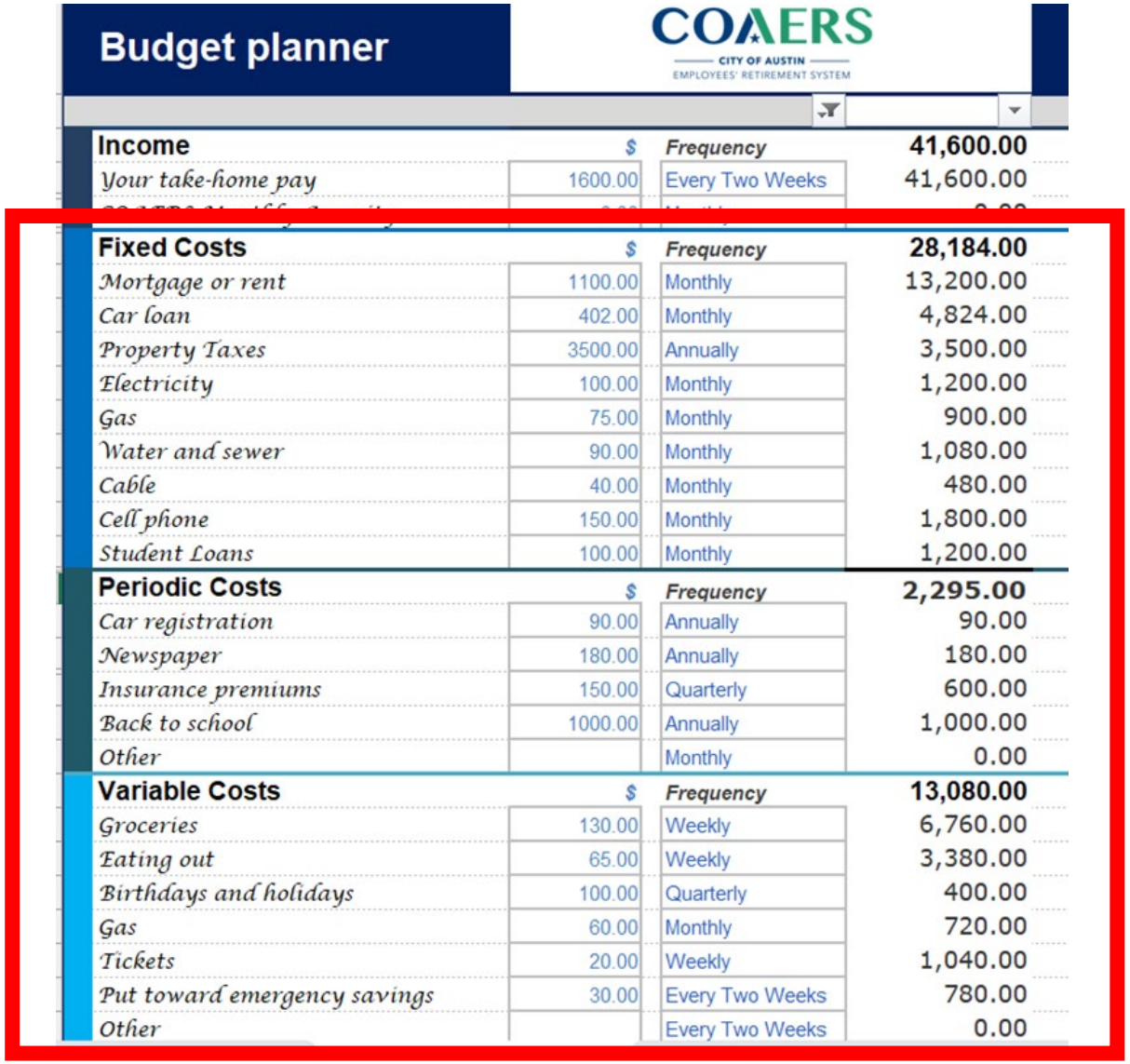
Tickets	20.00	Weekly	1,040.00
Put toward emergency savings	30.00	Every Two Weeks	780.00
Other		Every Two Weeks	0.00

How to Use the Budget Planner

Step 1: Enter your expenses

- Enter the fixed, periodic, and variable expenses and choose their frequency from the drop-down menu.
- You can use the categories provided or add your own.
- Remember to use your real spending numbers, not what you think they should be.



Budget planner

COAERS
CITY OF AUSTIN
EMPLOYEES' RETIREMENT SYSTEM

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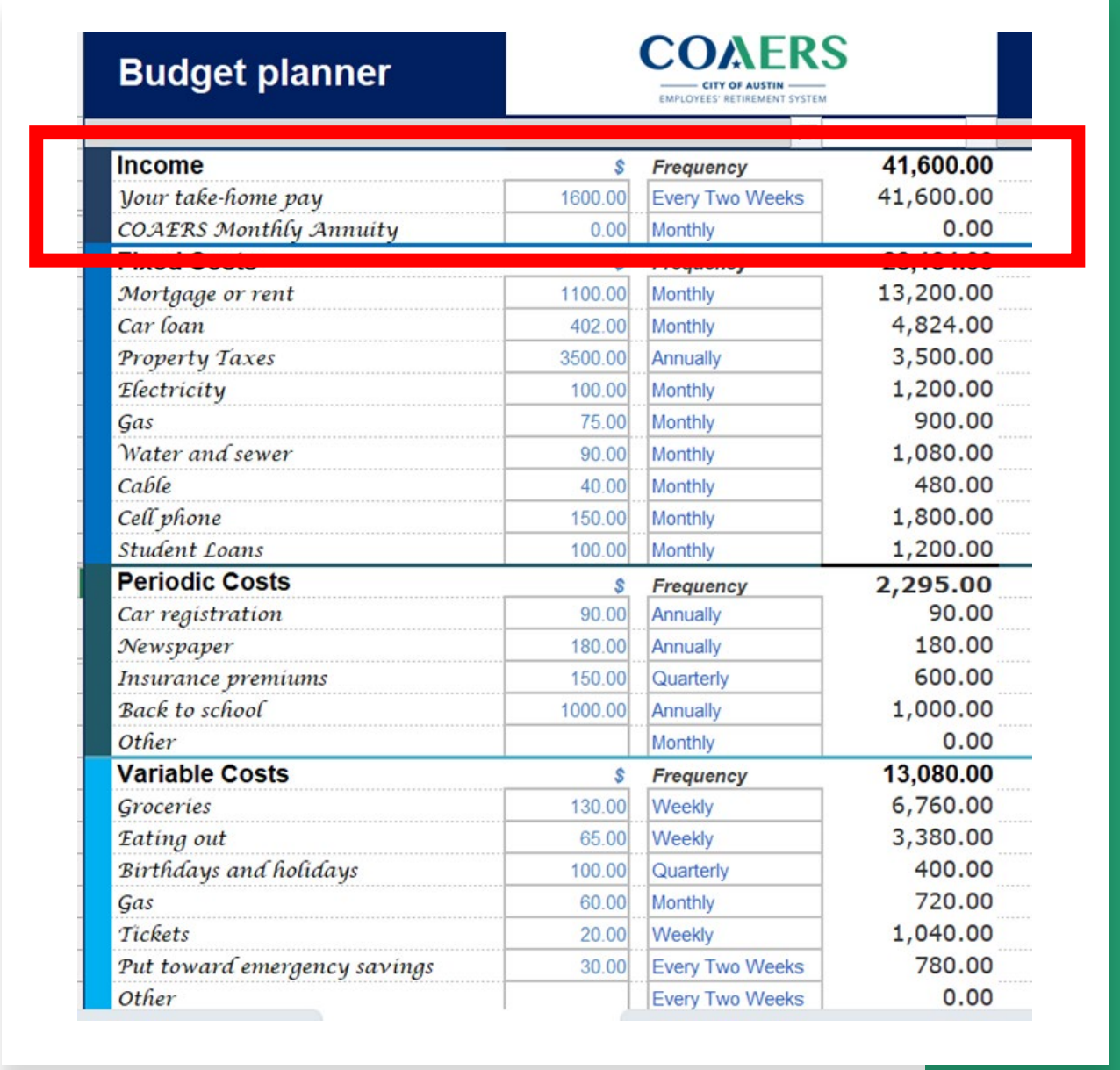
How to Use the Budget Planner

Step 2: Enter your income

- The calculator will do the math for you.
- Then you can determine if your current budget is leading you toward your goals.



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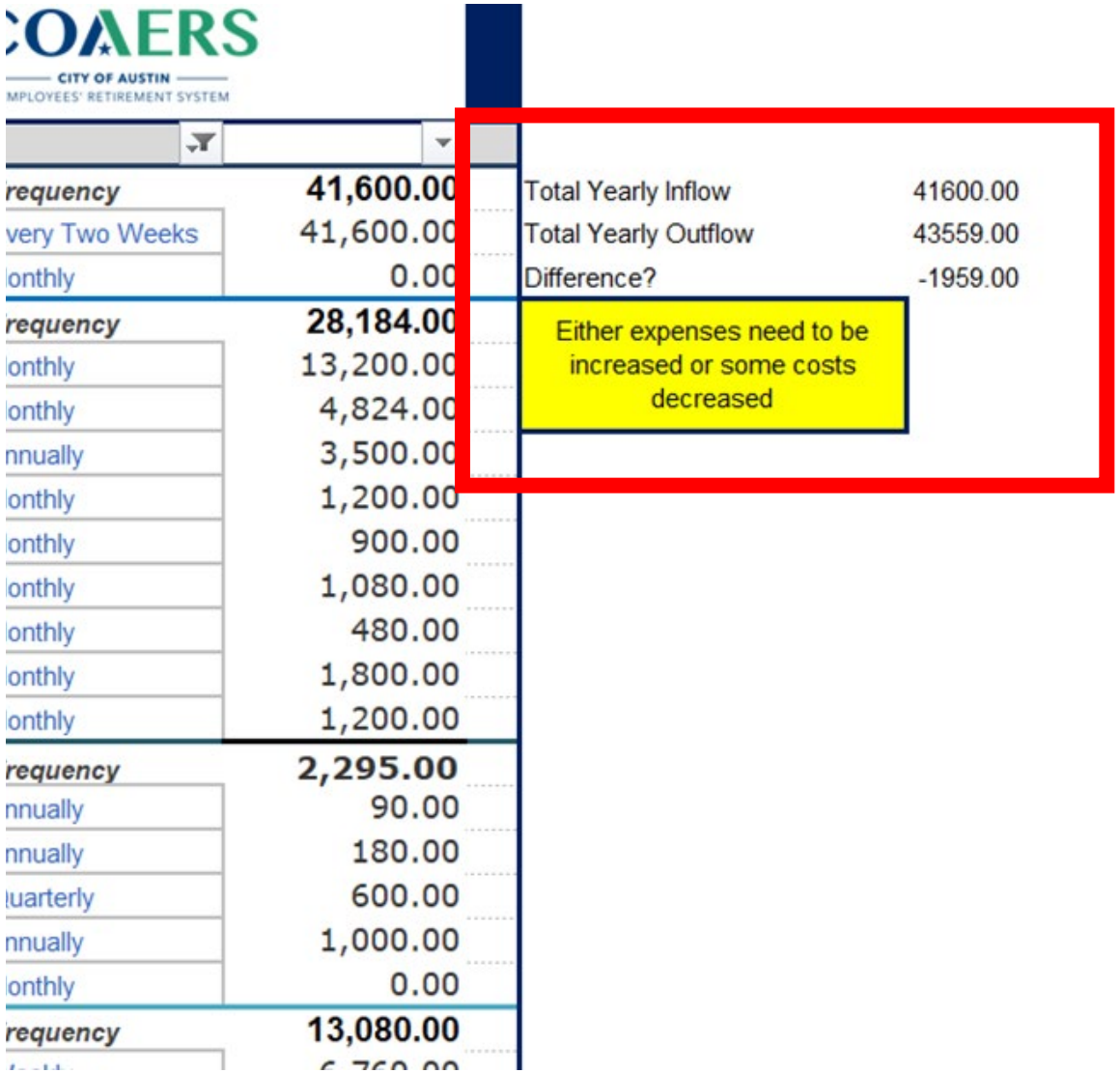
How to Use the Budget Planner

Step 3: Review your budget

- This sample budget is unsustainable. Why?
- Either spending needs to decrease, earnings need to increase, or both.



Decrease Spending

Cut Costs Without Cutting Joy

Ask yourself:

How can I manage expenses more effectively?

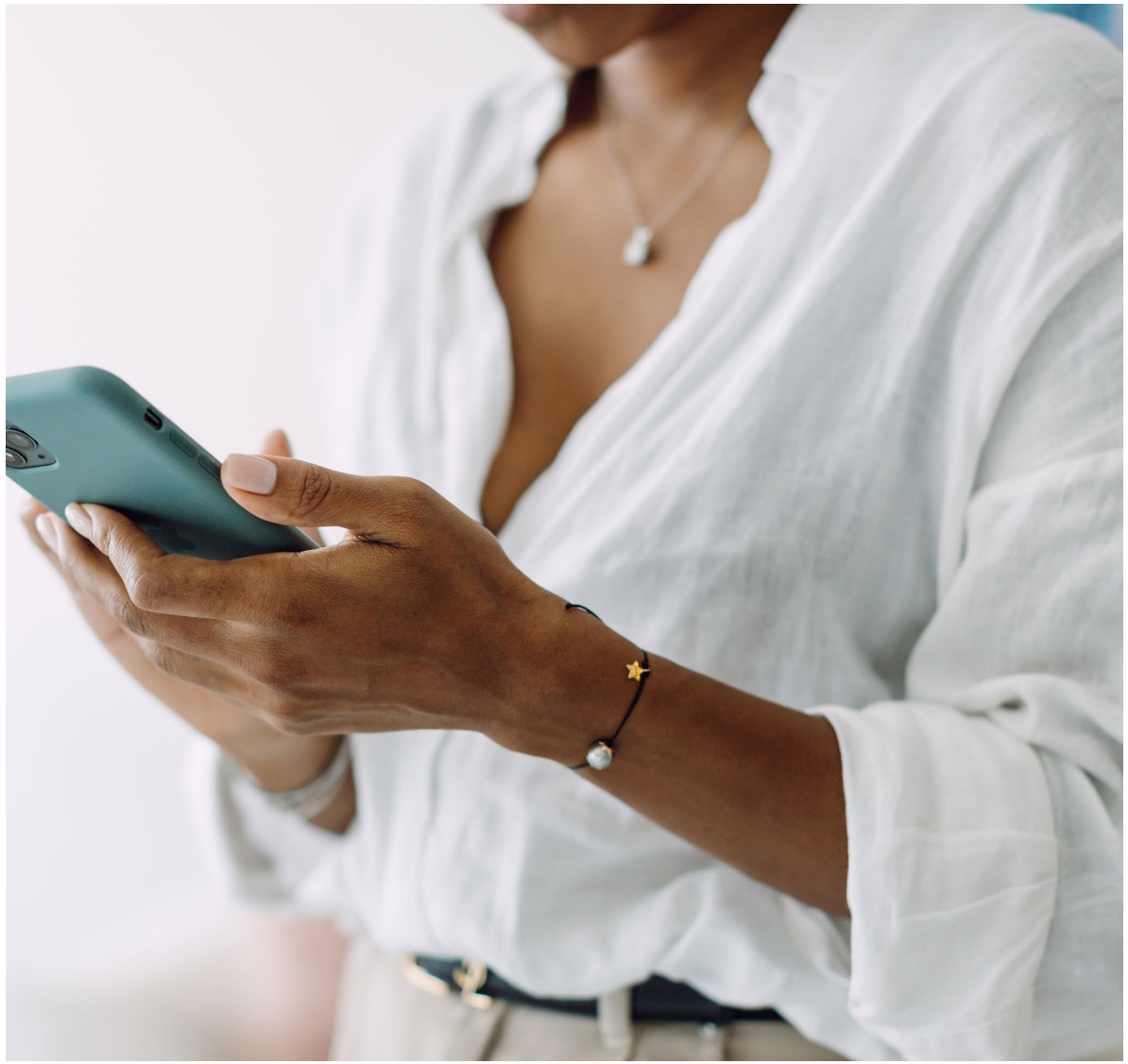
Cut Routine and Reoccurring Costs

- Shop around for basic services (vet, dental, cleaning)
- Switch to lower-cost pet food …if it's prescription, ask your vet
- Rethink vehicle ownership — downsize or share
- Reduce or cancel laundry and subscription services
- Consider refinancing mortgage, auto, or credit card debt

Negotiate and Ask

- Call service providers to get better deals

- Ask to:
  - Lower credit card interest
  - Waive bank fees
  - Apply insurance discounts
  - Remember: It never hurts to ask

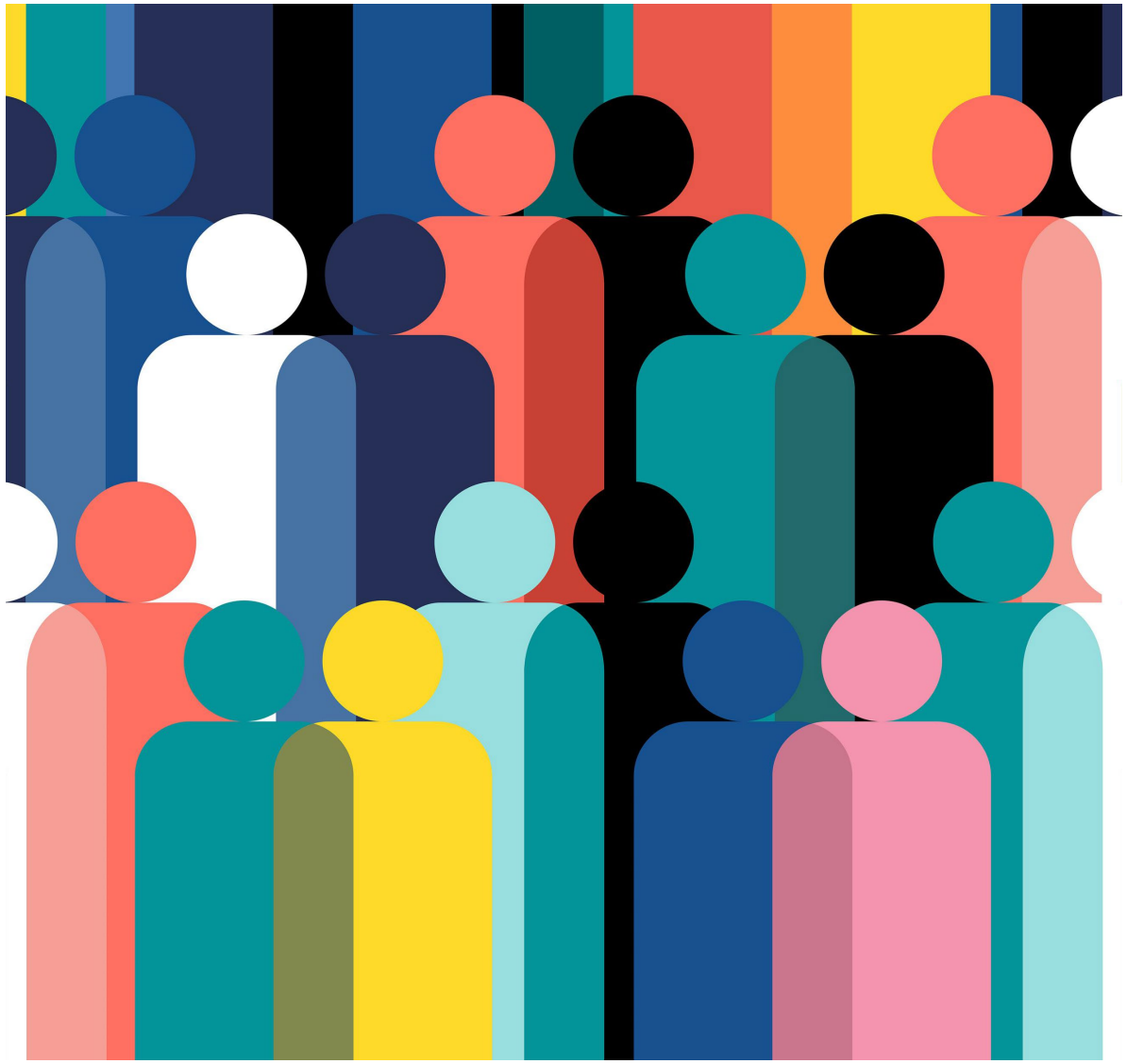


DIY and Free Resources

- Use YouTube for simple home repairs
- Join Freecycle and Buy Nothing groups
- Borrow books, movies, and more from the library
- Drink water instead of sugary drinks
- Use meal kits more or less based on your needs

Build a Financial Support Network

- Normalize talking openly about money, challenges, and wins
- Share resources: rides, childcare, tools, meals
- Embrace the sharing economy to lower personal costs

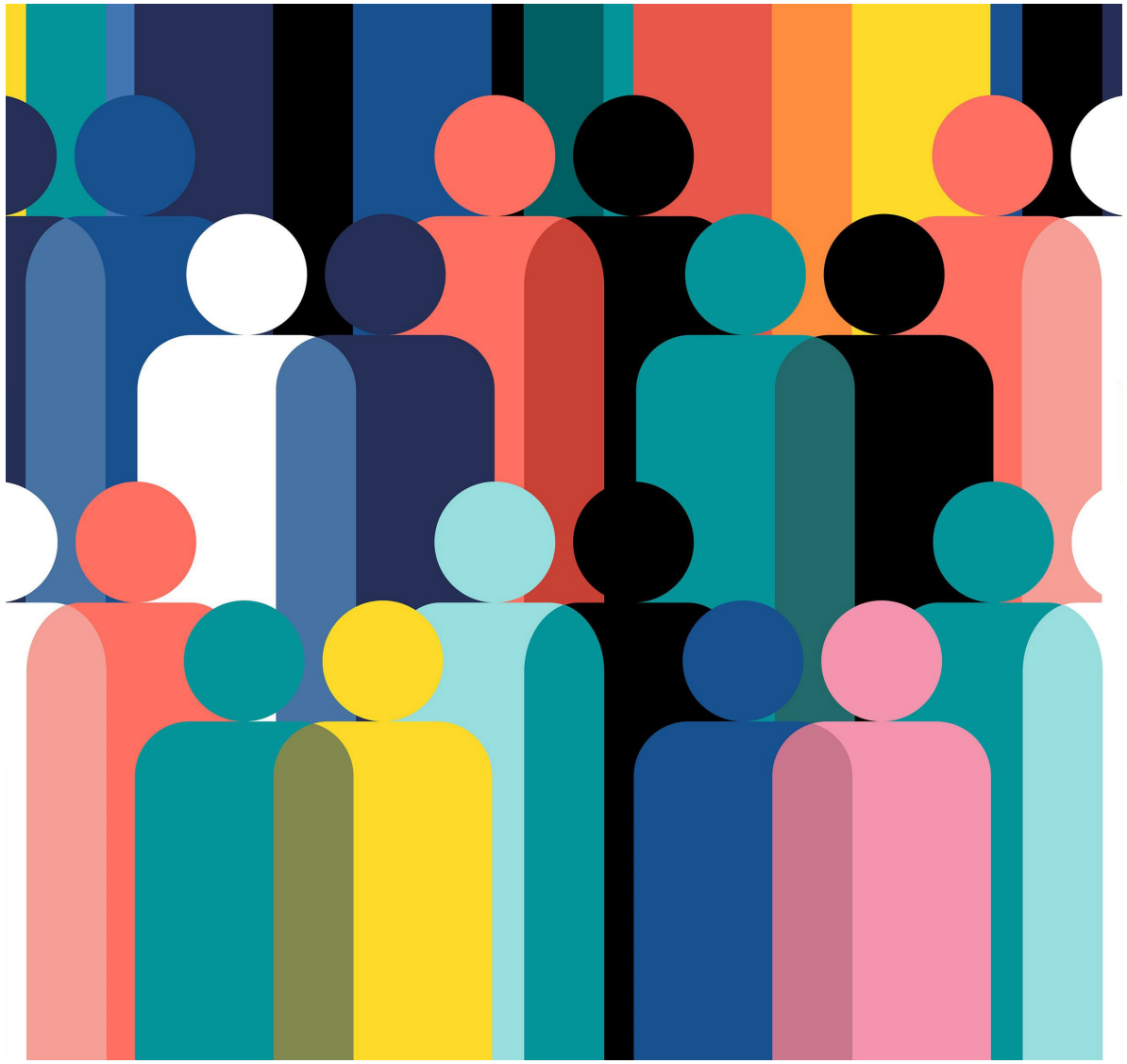


Boost Income in Smart Ways

Ways to Increase Income Streams

- Use your skills to earn on your own schedule — many platforms connect people with tasks, services, or gigs that fit your availability and interests.
- We'll also share some creative and unconventional ideas you may not have considered.

**Note: Be sure to follow City employment policies — no conflicts of interest or use of City resources. COAERS does not endorse any specific platforms.*



Gig Economy Options*

On-the-Go Gigs

- Ride-sharing
- Food, grocery, or package delivery
- Charging scooters
- Renting out your car

Teach, Tutor & Skill-Share

- Teaching English online
- Tutoring or language lessons (e.g., Spanish)
- Giving music lessons
- Referee for local sports
- Create online content

Home-Based & Hospitality

- Managing short-term rental properties
- Hosting a foreign exchange student
- Renting out a room (roommate)
- Providing tours to visitors

Care and Support Work

- Caregiving
- In-home respite care
- Pet care

Creative and Passive Streams

- Online sales
- Participate in medical studies or donate plasma
- Switch to an interest-bearing account
- Negotiate a raise

Reevaluate Lifestyle Habits

- Audit expenses like storage units and lawn care
- Buy in bulk — but only when it makes sense
- Watch out for lifestyle creep, especially in retirement
- Apply the reduce / reuse / recycle mindset to save money and energy

TEKTON RESEARCH
Lessonface
Lime
REFR SPORTS
ebay
BioLife PLASMA SERVICES
VIP Teacher
Preply
Uber
Etsy
TOURS BY locals
Rover
airbnb
lyft
TURO
care.com
taskrabbit
viator
a Tripadvisor company
RunnerCity

Revisit and Refine

- Remember to rerun your budget after adjusting income or expenses
- Consider the timing of bills and deposits and aim for no surprises

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Protecting
Your Assets

Tax Moves to Save You Money

- Take Advantage of a Higher Standard Deduction
- If you're 65 or older, your standard deduction increases by $6,000

Note: This phases out at 6% for incomes over $75K (single) or $150K (married)

- This means more of your income is tax-free and may lower your tax bracket
- This provision replaced efforts to make Social Security non-taxable

Tax Moves to Save You Money

Use Tax-Advantaged Accounts

- Max out HSA contributions — especially if you're still working
- Consider converting to a Roth IRA to avoid required minimum distributions (RMDs) later
- Taxes are due at conversion, but Roths grow tax-free and have no RMDs

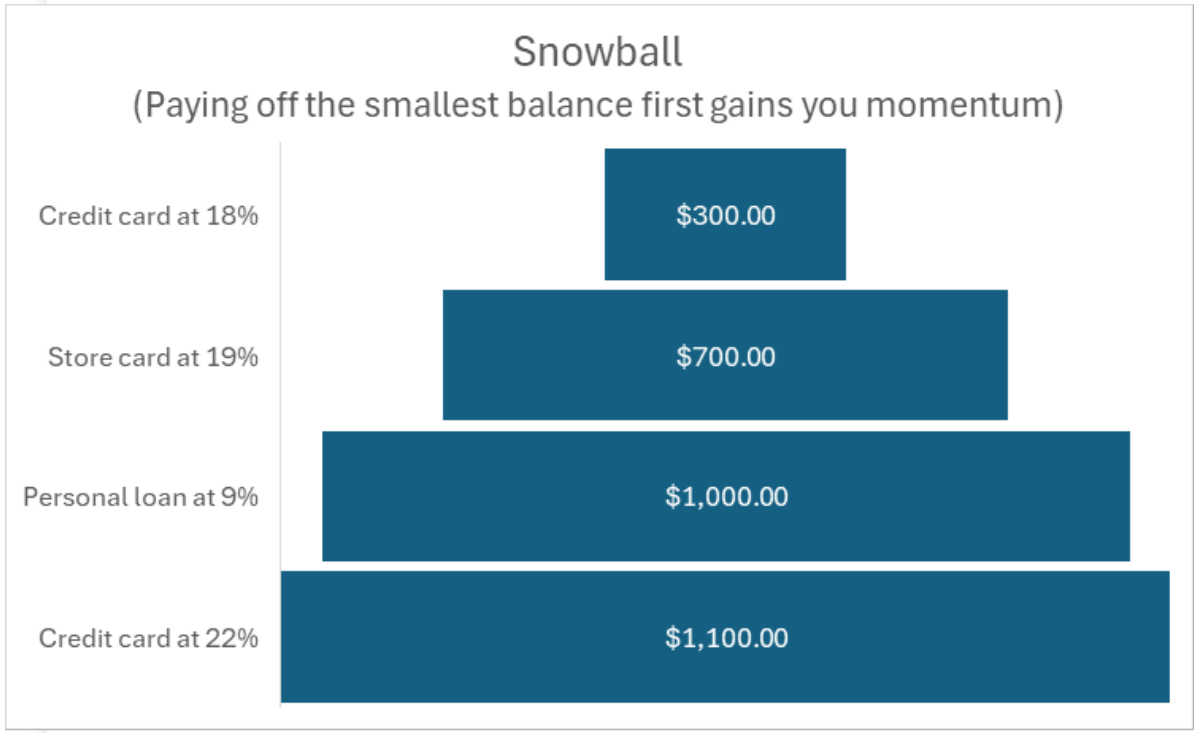
Minimize Taxes on Investments

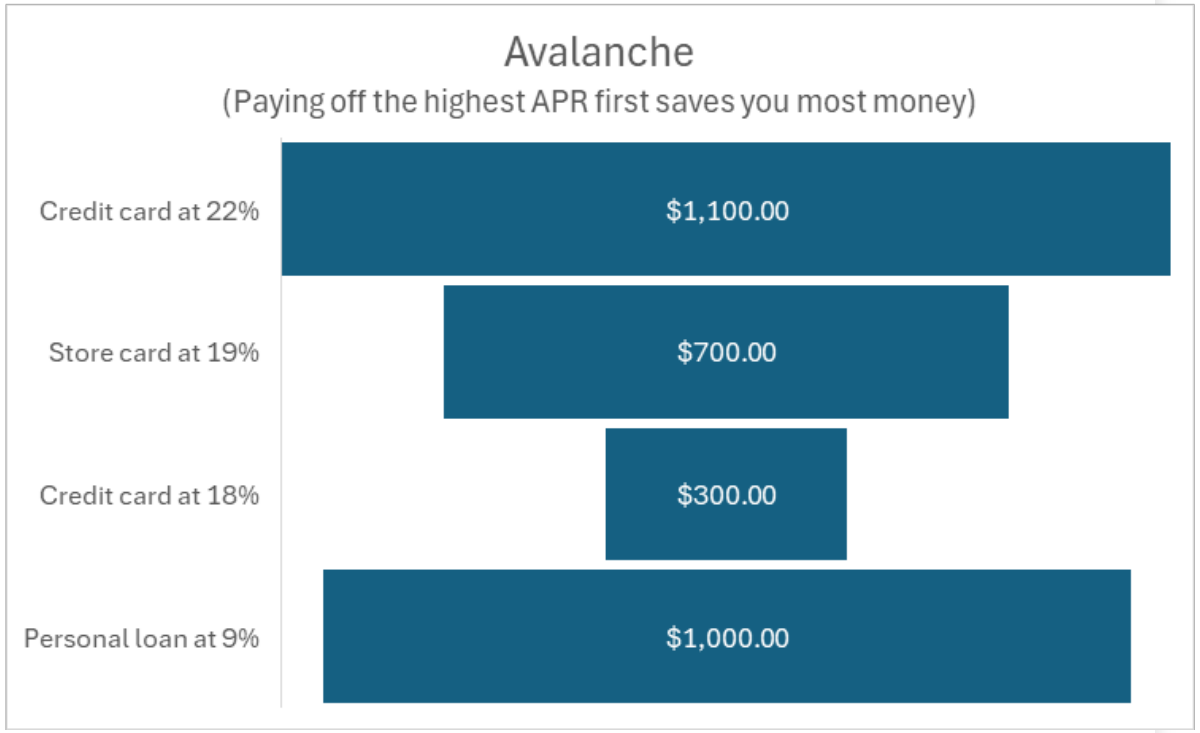
- Take RMDs gradually from volatile accounts to avoid poor timing
- Tax-loss harvesting can offset capital gains
- Donate appreciated stock instead of cash if you itemize — it may reduce capital gains taxes

Strategies to Crush Debt

- **Snowball Method**: Pay off smallest balances first to build momentum
- **Avalanche Method**: Focus on highest-interest debt to save more long-term
- **Refinance or Consolidate**: Consider combining debts into a lower-rate loan
- **Negotiate:** Ask lenders to lower interest rates or waive fees
- **Avoid New Debt**: Press pause on credit card use while paying down balances
- **Automate Payments**: Avoid missed payments and late fees

Strategies to Crush Debt





Investing Smart – Even in a Downturn

“Rule No.1: Never lose money. Rule No.2: Never forget rule No.1.”

— As quoted in *Rules That Warren Buffett Lives* by Stephanie Loiacono at Yahoo! Finance (Feb. 23, 2010)

Investing Smart – Event in a Downturn

"Don't Panic!" does not mean "Don't do anything."

- Rebalance your portfolio if your asset allocation has drifted
- Diversify investments to reduce risk across asset classes
- Stay invested for the long term — recessions are temporary
- Avoid locking in losses — don't sell what's down unless necessary
- Consider selling assets that held value, not those that dropped most

Beware of Scams

Scams tend to spike during tough financial times, preying on fear and urgency

- Be skeptical of calls, texts, emails, and pop-up websites
- Never click “OK” or agree to offers without reading the fine print
- Verify sources before sharing personal or financial information
- Ask for a second opinion — if it sounds too good to be true, it probably is
- Stick to trusted institutions for investments and financial decisions

Why Cash Reserves Matter

Cash reserves or liquid assets such as CDs, money market accounts, treasuries and municipal bonds can be critical.

These funds can be used for obligations, opportunities, or emergencies.

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Wrapping it up...

- Your budget should reflect your goals
- Consider various approaches to cutting costs and/or increasing revenues with an open mind
- Protect what you have