



BUDGETING FOR NURSES WITH VARIABLE INCOME

If your income fluctuates a lot due to shift work, you're not alone. Fortunately, you *can* take control. Here's a few tips to help stabilize your finances as you go from one month to the next:

1. Rebuild Your Base Budget

Look back at the last 24 months and note your 6 lowest income months. Average them together. Base your monthly budget on THAT amount. The large one-off/annual expenses aside, the rest of your regular spending should be confined to that monthly budget limit.

2. Create a Dedicated "Income-Smoothing" Account

Use a separate, high-yield savings account to stash extra income during high-earning months. Withdraw from it in months when shifts are scarce. This has the smoothing effect of paying yourself a steady paycheck. For example, if your base budget is \$7K and your strongest month is \$10K, then put away the \$3K difference in this account to fill the gap for weaker months (e.g. transfer \$2K for a \$5K month).

3. Automate What You Can

Automate bill payments and THEN your savings/investing goals. Your essentials should always be covered FIRST. You can start small on the investing side, but you should start TODAY. Automating an investment of \$200/month into a retirement account (or emergency savings account, if you don't have one yet) will build much faster than you think.

4. Prioritize Emergency Savings

Emergency savings FIRST, investing (e.g. retirement) SECOND. Aim to save 3–6 months of expenses. The choppy your income stream, the bigger the buffer you should have, especially if you are not financially coupled with a significant other who is bringing in income. Having a well-funded emergency savings account is key to financial stability. It will absorb the financial shocks of low-shift months AND unexpected large expenditures.

5. Invest Consistently (Even if It's Small)

Take advantage of any employer-sponsored retirement plan(s) at your disposal, and make sure to contribute enough to get the maximum match. In low-income months, investing a set fixed amount might be difficult if not impossible. For this reason, you may want to auto-invest a fixed PERCENTAGE instead. If an employer plan isn't available, then open a Roth IRA and auto-invest a very modest fixed amount, one that isn't going to crush you during lean months. You can always "catch up" with contribution(s) later before you hit the April 15th deadline.

Struggling to budget in the face of variable income? Brescor Wealth helps nurses like you develop simple processes to build more stable financial lives.