

If Your Budgeting App Is Shutting Down, Consider Going Retro

Find out why some financial advisors say a budget that only tracks expenses is incomplete. Here's how to better plan for your financial future — with or without an app.



Mint is a popular budgeting app that connects, consolidates and organizes information from all your financial accounts. Or, shall we say, it was a popular budgeting app.

In October 2023, Mint's parent company, Intuit, announced that users would have just a few months to find a new [way to budget](#) before the app permanently shuts down.

On March 23, 2024, Mint users, some of whom have been using the app for well over a decade, will lose a budgeting system they've spent time customizing along with years of helpful data. Poof.

But some financial advisors say there's a benefit to being forced into a fresh start. "This could be a good opportunity to reflect," says Chris Scheele, a qualified associate financial planner in Alberta. "Start from scratch. Build that budget again." This opportunity isn't reserved just for Mint users, either — anyone can do it.

Budget like the pros

When **Steve Bridge** returned to Canada after years working abroad, he started keeping track of his spending. Today he's a B.C.-based **certified financial planner**. He's quick to point out a distinction between those early habits and what he does today: "I tracked expenses," he says,

“but I didn’t have a good budget.” What’s the difference? Bridge says tracking expenses “shows where our money went. But it doesn’t look forward.”

Russ Dyck, a certified financial planner in Alberta, followed a similar trajectory. At first, he used a spreadsheet to track expenses. Later, he started using one “built around making sure every dollar is accounted for.”

The budgeting system that Bridge, Scheele and Dyck each use and endorse resembles the [envelope system](#). It works like this: whenever you’re paid, you put cash into envelopes that represent different spending categories. Whenever you buy something, you take money from the appropriate envelope. When it’s empty, you’ll know you’ve hit your limit for that spending category.

With the envelope system, “you can only spend saved money,” Bridge says. This is different from tracking-only budgeting systems, in which you might spend income you don’t have now but expect to earn later.

A budget based only on tracking expenses can lead to fuzzy math, according to these three advisors. For example, say you budget \$5,000 annually for a family vacation. You’ll need to set aside a little over \$400 a month to have that amount by year’s end. But that means if you take your vacation in February, you’ll only have \$800 earmarked. In the ten months it’ll take to backfill that vacation budget, you’ll lose some flexibility to respond to unexpected expenses or a surprise drop in income. With the envelope system, you wouldn’t go on vacation until you had \$5,000 in the bank.

How to set up your own forward-looking budget

Slipping cash into envelopes may be a nonstarter if you’re accustomed to the convenience, portability and potential rewards of using cards at checkout and an app to track spending. That’s fine. You don’t need to rely on paper; you’ll just need to find a way to mimic the envelopes.

Spreadsheets

Bridge, Dyck and Scheele each have a spreadsheet they share with clients, and Bridge and Dyck use versions of it themselves. If you’re not comfortable building your own sheet, search “envelope system spreadsheet” or “envelope budget spreadsheet” online and you’ll find many free templates to experiment with.

Automated transfers

Instead of commingling money in a single [chequing](#) or [savings account](#), and using a spreadsheet to see how your total balance is sliced into various spending categories, Bridge simply has multiple accounts.

Whenever he's paid, Bridge automatically directs a set amount of money to each account: one for vacation, one for car expenses, one for home repairs, etc. Daily expenses, like [groceries](#), gas and eating out are paid for by debit card out of a dedicated chequing account. Instead of pulling up a spreadsheet to see how much he has set aside for certain needs and goals, he can just look at the balance in each account.

Regardless of how you execute it, the key to each of these budgeting methods is that you're only earmarking and spending money you can access. "This is what getting ahead financially actually looks like," Bridge says. "It's saving ahead for things. And it puts the power of control in your hands. It gives every dollar coming in a job."

Apps

If you prefer an app, Dyck recommends test driving those that have a free trial period before committing — and possibly paying a subscription fee. "I don't think there's two that are doing it the same," he says.

You Need A Budget, also called YNAB, is based on the envelope system and has been a popular option for years. Scheele, who says his clients use a variety of apps and spreadsheets, uses the free version of an app called EveryDollar. Goodbudget, Spendee and Neotra are others to consider.

Embrace what accountability can do for you

The experts agree that a system of accountability is a must-have feature to any successful budget. And though it might not be intuitive, financial accountability can actually help you be more flexible in the face of life's ever-changing circumstances.

"We all have limited money, and we all have to make choices where that money goes," Bridge says. "And having it all laid out and being clear on where it's going ensures that money's going towards what's most important to you."

What does accountability look like? Well, you could hire a [financial advisor](#) or coach who can walk you through these conversations. For people who have a partner or someone else they make money decisions with, Dyck also recommends setting aside time weekly to check in and talk about anything that could affect their budget.

Whether you do this Sunday evenings after dinner or Thursday mornings over coffee, "you have to be mindful of it," Dyck says. "You can't do it on the fly." If you don't share finances with anyone else and you don't plan to hire a financial advisor, think about finding a trusted friend or family member who can be a sounding board.

Being open and aware of your finances "is where the magic happens," Scheele says. "You can actually start to align your finances with your values. But you can't do that until you've made that decision to engage, to be transparent, be open and honest."