

Fourth broke January challenge continues improving financial habits

AT A GLANCE

Twenty-four participants completed a month-long spending challenge, reporting \$3,105.66 in savings while developing habits that support long-term financial stability.

The Situation

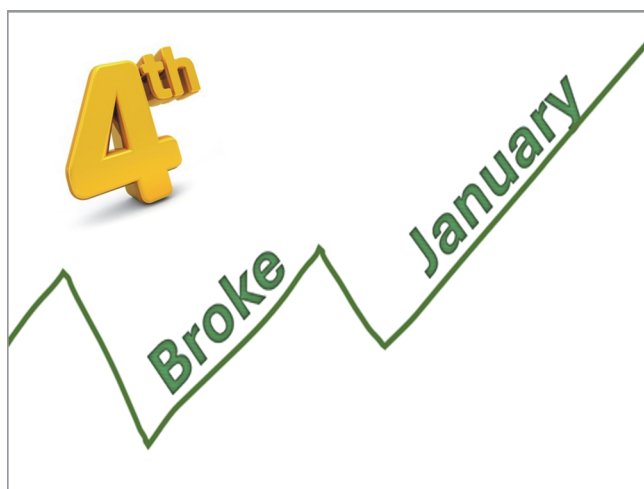
According to the Federal Reserve's Survey of Household Economics and Decisionmaking, 37% of U.S. adults reported they would be unable to cover a \$400 emergency expense using cash or its equivalent, highlighting the importance of programs that help families strengthen savings habits and improve financial resilience.

Many families experience financial strain following the holiday season due to increased spending, recurring bills, and unexpected expenses. Small daily purchases and impulse spending can reduce the ability to save, pay down debt and prepare for emergencies.

Without intentional spending decisions, households may continue relying on credit cards to absorb unexpected expenses and struggle to make progress toward financial goals. The fourth Broke January Challenge continues to help participants build awareness of spending habits, identify opportunities to reduce discretionary expenses and create sustainable savings behaviors.

Our Response

University of Idaho Extension delivered the fourth annual Broke January Challenge, the largest cohort since



The fourth annual Broke January Challenge logo was created by Karen Richel.

the program began. Through weekly Zoom meetings, accountability support, savings tracking tools and practical financial education, participants were challenged to reduce discretionary spending, build savings and develop healthier financial habits.

Unlike traditional financial education programs that focus primarily on budgeting concepts, the Broke January Challenge emphasizes behavior change through action. Participants track avoided purchases, evaluate recurring expenses, distinguish between essential and nonessential spending, and receive peer support throughout the month-long challenge.

The challenge has demonstrated sustained value over time. Many participants return year after year to renew their commitment to financial goals, while others

report continued success months or even years after completing a single challenge. Returning participants frequently share stories of ongoing debt reduction, increased savings, improved spending awareness and continued use of strategies learned during previous challenges.

Program Outcomes

The fourth annual Broke January Challenge attracted 55 registered participants, with 24 individuals successfully completing the challenge for a 44% completion rate. Participants reported a combined \$3,105.66 (n=9) in self-reported savings during the month-long program. The growing participation and number of returning participants suggest the challenge continues to meet a community need for practical, supportive and action-oriented financial education.

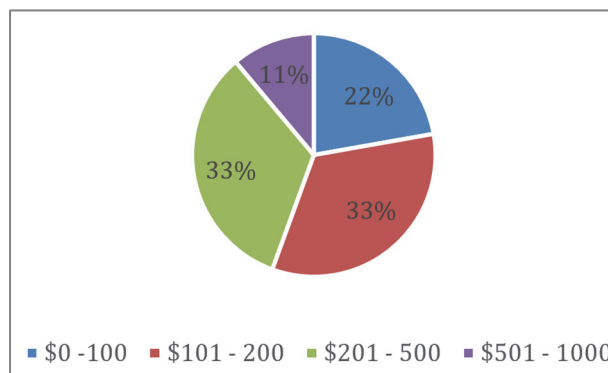
Throughout the challenge, participants were encouraged to identify and separate essential and nonessential expenses, track avoided purchases through a non-expenditure log, reduce impulse spending, review subscriptions and recurring expenses, and share successes and challenges with peers during weekly support meetings. In this meeting, the educator also guides the discussion and provides applicable resources. By combining accountability, reflection and practical application, the challenge helped participants build greater awareness of their spending habits and develop strategies to support long-term financial stability.

Participants reported that the money saved during the challenge would be used to strengthen their financial situations in a variety of ways. Planned uses for savings included building emergency funds, paying down debt, completing home improvement projects, covering vehicle and household expenses, and saving for future travel.

Survey respondents consistently reported strong positive outcomes from their participation in the challenge. All respondents selected one of the three highest ratings when asked about increased financial awareness, improved adherence to a budget, growth in savings,

reduced financial stress, changes in spending behavior and progress toward financial goals.

Table 1. Participants reported a total of \$3,105.66 (n=9) in savings.



Participants identified common spending challenges including dining out, specialty coffee purchases, subscriptions, convenience purchases and impulse shopping.

- “This challenge helped me realize I was just losing money and adding clutter.”
- “I didn’t touch my credit cards because I had done more planning and less trips to the store.”
- “The hardest thing for me to give up was my daily diet Dr Pepper, or multiple Maverik stops for soda ‘rewards.’ But I did it!!!”
- “Checking on my subscriptions; Audible, Wi-Fi, Netflix, HBO, I found monthly savings that will go on indefinitely.”

These comments indicate participants not only reduced spending during January but also developed habits likely to improve long-term financial resilience.

The Future

The success of this annual Broke January Challenge demonstrates a continued need for practical, behavior-based financial education. As participant interest and return enrollment grows, the program is well-positioned to expand its reach in 2027.

FOR MORE INFORMATION

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