

Broke January: A 30-day mindful money challenge to detoxify spending habits

AT A GLANCE

Participants break unhealthy financial habits with the support of an accountability group, committing to a month of mindful spending to gain better awareness and control over their expenses.

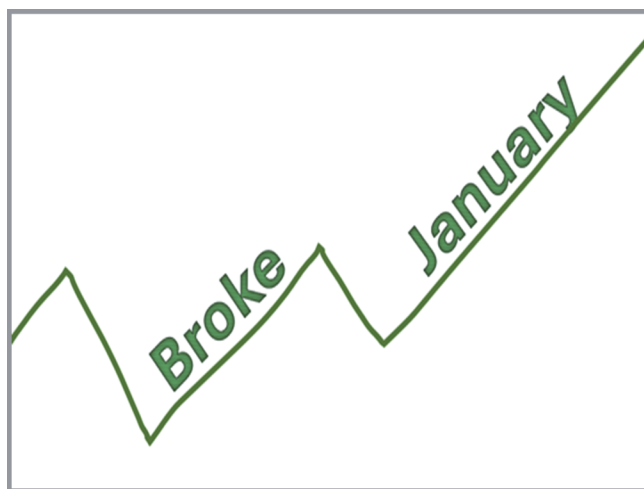
The Situation

According to USAFacts.org, December (since 1992) is the month when people spend the most money, leading to increased credit card debt that comes due in January. With gifts and travel costs plus homeowners' taxes required at the end of the year and income taxes following closely on the heels of these expenses in April, the average spender has to make tough choices to make sure that all of the bills are paid in a timely fashion to avoid penalties, interest and fees.

Our Response

In response to the financial challenges often faced after the holiday season, the "Broke January" challenge was introduced in 2023 by University of Idaho Extension, Latah County, as a practical way to reset spending habits and promote mindful financial choices. Participants commit to a month of cutting unnecessary expenses, focusing only on essential bills like rent, utilities, groceries and insurance. With the support of an accountability group, they track their savings and gain insights into their spending patterns.

To ensure participants stay on track, the challenge includes weekly virtual meetings providing resources, support and motivation. Participants are encouraged



Broke January logo created by Karen Richel.

to document their avoided expenses using a non-expense tracking form, transforming the experience into a rewarding and eye-opening game. At the end of the challenge, those who actively participate will have the opportunity to enter a prize drawing, adding an extra layer of encouragement.

The challenge emphasizes reflection, intentional spending and a heightened awareness of financial choices, empowering participants to build healthier financial habits beyond January.

The challenge was designed to provide participants with practical tools and resources to apply in real-time, making budgeting and mindful spending an accessible, hands-on experience. By actively engaging with these resources over 30 days, participants have the

opportunity to identify and detoxify harmful spending habits like paying for a \$5 cup of coffee at the local coffee stand vs. making their cup of caffeine at home or downsizing a cell phone plan from unlimited usage when they never come close to using all the minutes of the less expensive plan.

This immersive approach encourages lasting change by helping participants recognize the impact of their spending choices. The intentional focus on needs versus wants, combined with the support of an accountability group, reinforces positive financial behaviors. By the end of the challenge, these new habits become more intuitive, setting participants on a path toward long-term financial wellness.

Program Outcomes

One participant, an avid shopper on Amazon each month, received a note of “concern” from the Internet vendor. It read, “Looks like you haven’t placed an order in the last 30 days.” Her cart was empty.

It seems the “Broke January” challenge might be a bit of a disruption for companies like Amazon, which thrive on encouraging frequent purchases. By focusing on mindful spending and savings, this challenge promotes habits that help participants cut back on unnecessary spending — directly opposing the culture of impulsive buying. While some companies may not be thrilled with these shifts, the challenge empowers individuals to regain control of their finances, showing them the value of saving overspending. Ultimately, it’s all about making informed decisions and prioritizing long-term financial health over instant gratification.

Another member added that she and her husband (him not willingly at first) participated in the challenge. By the end of the month, the couple, who had been married for 20 years, were able to afford their very first brand new television set.

The longevity of this challenge is also evident in the feedback that comes from the past 91 participants. One shared that she saved \$700 during the month of January but by the end of March, she was breaking

the \$3,000 mark. Many continue to use these skills and do not return to their old habits even though they are “released” from the challenge on Jan. 31.

One former participant shared that she had gone through the first challenge in 2023 but didn’t sign up for the second challenge in 2024. She decided that she was going to do a “Broke Year” instead of just one month. By the end of 2024, she and her husband had enough money saved from this challenge for an all-expense paid trip to Italy to see their son.

For participants from the 2025 challenge, final feedback revealed that all participants planned to continue implementing the practices learned during the challenge for long term. All participants saved at least \$100 in the challenge with some (26%) reaching savings over \$1,000 or more in just one month.

When asked what the most challenging expense to give up was and why, dinners with friends, wine and chocolate, dining out, shopping “just because” and impulse buys topped the list.

When asked what the participants would do with their newfound wealth, one participant responded that new tires “stole” her success, but she was thrilled to have the extra cash to pay for them. Another wrote, “makes me want to cry with gratitude” because this money helped her balance her budget after an extended leave from work. Others planned trips, gave funds to a favorite charity, padded their savings accounts, bought garden seeds and paid off credit card debt.

The Future

Originally a one-time event, this challenge has become an annual January tradition due to positive feedback and continued demand. It has even expanded to include “Broke Tax Season” in April, helping participants save their tax returns, set goals and plan for future expenses, including those owing taxes.

Turning spending and saving into a game or challenge makes it easier for people to apply and retain the information because they actively practice it with support.

FOR MORE INFORMATION

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14-25-krichel-broke-january • 4/25