



BUDGETING AND MONEY SAVING IDEAS

It is important to remember that good money management starts long before you begin keeping track of dollars and cents. Your plan is a personal or family matter, therefore it is important to take a long look at your values. Your goals will reflect your values. No one can tell you what your lifestyle ought to be. Only you can decide how your income is spent. Effective money management will depend on the way you choose to live and the goals you plan to achieve. To help achieve your goals you will need a workable plan and part of that plan is a budget. Ok, we all know that preparing a budget is pretty boring. While there are more exciting things to do in life, a budget is still the best way for you to get a handle on ways to save money. So, if you're ready to roll up your sleeves and do some number crunching, here are some ideas to get you started on your way.

1. Assess your financial resources

Calculate your monthly income by adding together your "take-home" income and other income sources (interest, government assistance, disability benefits, retirement pensions).

2. Determine your expenses

You need to know how you spend your money so gather all of your receipts and bills from the past few months. This will help you develop a complete picture of your monthly expenses. Be sure to separate the fixed expenses that you must meet (mortgage, rent, car payment, insurance) from the variable expenses (food, clothing, entertainment). Once you see your spending patterns, you may be able to make adjustments to certain expenses.

3. Set Goals

Establish a list of goals you would like to achieve. These can be long term goals like buying a home or funding a retirement plan or they can be short term goals such as home improvement or car repairs.

4. Create a Plan

Once you've figured out how much money is coming in and how much is going out, you can put together a plan that matches your goals to your financial situation.

5. Pay yourself first

You can grow richer each month if you pay yourself first. Before you pay any bills, decide on an amount to pay yourself first ----say, 5% or 10% ---of your pay. Deposit that amount into some type of savings account that you will not touch.

6. Track your progress

At the end of each month re-evaluate your plan. Compare your actual expenses and income to your budget and make appropriate adjustments.

Your money management plan is always subject to change if your life situation changes. The object of a good budget is to make your money help you reach your goals, not force you to conform to rigid rules. No matter how much credit you have available, nothing is better than having "money in the bank".