



HOW TO BUDGET

STRATEGIES

If you're often out of money by payday, you may be able to budget your money more efficiently. Learn strategies that can help you plan a realistic budget and put you in control of your spending.

Keep Track of Expenses

Before starting the formal budget process, buy a small notebook and keep track of everyday expenses and how you spend your cash. At the end of a month, look over your expenditures. You'll probably be surprised at how much you spend every day, especially if you work outside the home. Miscellaneous expenses, such as lunches, snacks, newspapers and magazines, can burn up your "cash on hand" very quickly. When you see where you're spending your money every day, it will be that much easier to decide on where you can cut back.

Be Reasonable

Most of us can probably live within a very strict budget for a short period of time. But after a while, such a budget can be more of a burden than a blessing. It's important to

start out with a budget you can live with, especially if you've never used a budget before.

If you're overly strict, you might decide that you can't live with a budget and abandon the plan entirely. Try to plan out a budget that's realistic.

List Priorities

When you make your budget, having a concrete financial goal in mind will help keep you on track. Make a list of the things you need and a list of the things you want. Knowing why you're keeping a budget can help you be realistic about it. Set your priorities and save each month for the major expenses.

Be Flexible

If you find your budget is too tight (or not tight enough), feel free to change it. In fact, it might take you a few months to find a budget that's comfortable for you. In the meantime, however, you're making a step toward controlling your spending and reaching your financial goals.