



# Creating a Budget You Can Live With

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Your family has decided it's time to create a budget. Maybe you're spending too much each month. Or you may not even know where your money is going. A budget can help solve both problems.

A budget can also help you get your finances under control so you can get out of debt and find the funds to pay for that new car, a much needed home renovation, or a down payment on a new home.

**Once you've created your budget, here are some simple strategies to keep it in place:**

- 1. Why did you create your budget?** Keep in mind your reason for creating a budget in the first place.

Surely your intention wasn't to create a budget so strict that there's no wiggle room for entertainment or an occasional ice cream cone! ***Your goal is to be wise about how you spend the money you receive each month.***

True, this may mean that you've had to cut back on discretionary spending, but the ultimate pay off is being able to do the things you truly want to do.

- 2. Make it simple.** If your budget is too difficult for even a financial genius to understand, you won't stick with it.
- Your budget should be simple enough to understand so you'll be able to ***use it and adjust it when necessary.*** The easier it is to use and manage, the more likely you'll be to stick with it.

**3. Be realistic.** Is your budget realistic for you and your family? If you're planning to cut all your expenses at once, you may be trying to do too much too soon.

- ***Start out making small changes*** to how you spend money, instead of broad, sweeping changes that are totally unreasonable. Small budget changes are easier to maintain than large ones. Remember, *everything in moderation* brings the best results.

**4. Include short-term goals you can reach quickly.** Short-term financial goals can make living with a budget easier.

Perhaps you have several low balance credit cards you'd like to pay off before tackling the higher balanced cards. You could also work on paying off the credit card with the highest interest first.

Whichever way you choose to pay them off, you'll need to find extra money each month by cutting down on other expenses.

**Here's an effective plan for paying off your credit cards using short-term goals:**

- Pay the minimum payment on all credit cards except the one you're trying to pay off first. Each month pay a little bit extra in principle for that card. Before long that card will be paid in full.
- Contact your credit card company and negotiate better rates. You'd be surprised to see how willing they may be to adjust the interest rates or payments.
- Consider getting a personal loan or line of credit and pay off all high interest credit cards. You'll save a bundle in interest payments.

**5. Include long-term goals to work toward.** Do you have concrete, long-term goals within your budget? Have you determined to pay off a high interest, high balance credit card before you go on a long dreamed of vacation?

- Put posters or photographs of that destination where you can see them throughout the day. This will help you stick to your budget when you want to spend money you maybe shouldn't.

It's possible to stick to your budget by following these simple strategies. Remember, however, that once you get your finances under control, it's not a reason to revert back to old habits.

Following a budget won't always be easy and there may be times when you have an emergency that makes you deviate from your plan. If that happens ***get back on track as soon as you can.***

Before you know it, all your sacrifice will have been worth it when you realize your dreams *really are* within your reach!