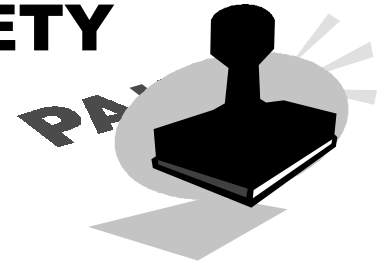




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Your Secret Weapon

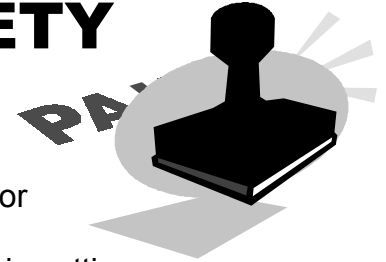
... A Budget...





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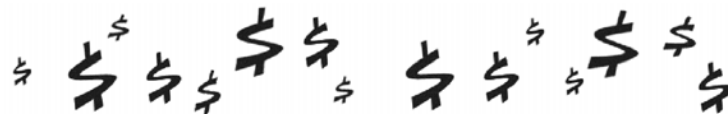
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Most people would like to get control of their finances, but may think that budgeting is too cumbersome, or simply don't know where to start. Budgeting does take time in the beginning, but once you have a good handle on how you spend your money, budgeting becomes almost second nature. Here are some hints in setting up and sticking to a budget:

- ❑ Using the Budget Planner spreadsheet, review your bills over the past six months and put them into the budget categories.
- ❑ Figure out the average monthly expenses in these categories.
- ❑ For expenses that are paid each month, enter the dollar amount for that expense into the 'MONTHLY' column.
- ❑ For expenses that are paid periodically or annually (such as insurance), divide by 12 to get the amount you must set aside each month to meet those payments and enter the dollar amounts into the 'MONTHLY' column for these expenses.
- ❑ For variable expenses, check your last six months of check payments in those categories to estimate your usual monthly expenses for each and enter the dollar amount into the 'MONTHLY' column.
- ❑ Once you have listed monthly expenses in all of the categories of your spending, the spreadsheet will calculate your total income and expenses per month and per year and display a 'BALANCE' at the bottom of the spreadsheet.
- ❑ If you find that the 'BALANCE' is a negative number, you need to go back to some of the spending areas under your control to see where you can cut back.
- ❑ Your work doesn't stop here. As your bills come in, keep track of your actual expenses in each category and adjust the budgeted figures, if necessary.

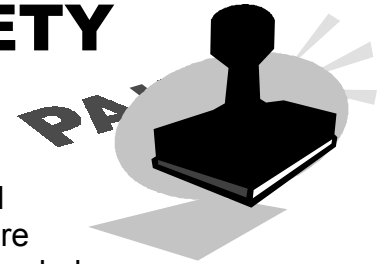
Budgeting requires self-control and discipline to reach your goals – it can become a habit that will take you to greater financial security.





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For many, hearing the word "budget" immediately sends shivers down the spine. Why in the world would anyone need or want to budget? First off, budgeting your money does **not** imply that you are poor, or are in need of financial assistance. You'd be surprised to know how many considered to be "middle class" regularly budget their money in order to make the most of what they have. Secondly, designing and implementing a budget does **not** take a Harvard doctorate degree or require hours of tedious work.

What is a budget? - Simply put, a budget helps you to track your income and help keep your spending habits in check over a certain period of time, thus, allowing you to reach specific goals.

Why Start A Budget? - There are many reasons why you and your family might want to implement a budget. These "reasons" can be labeled as **budget goals**.

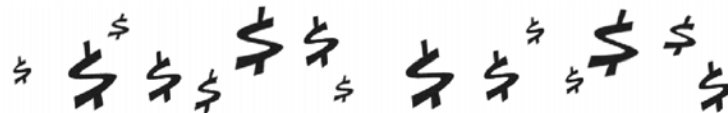
It is imperative that you actually determine what your **goals** are before actually designing a budget plan. Answer this question "Why do I want to start budgeting my money?" For a new house or car? For college educations? What about an early retirement?

These are all important goals that many of us will have to deal with at some point. And these goals as well as many others can be tackled through the implementation of a budget.

Cash Flow Analysis - It is now time to determine the amount of "cash" that comes into your pocket every month, and the amount that leaves your pocket every month. This is called your cash flow.

Determining your cash flow allows you to get a perspective on your current financial situation. At the same time, analyzing your cash flow allows you to actually see where your income is coming from and how it's being spent.

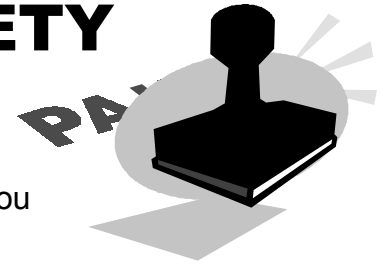
Remember, this does not have to be done professionally nor does it need to be time consuming. In addition to that, try not to track every single penny that you spend. You'll drive yourself crazy. A budget should not frustrate you.





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Start with your income(s). It's best to take it a month at a time so you get a clear, concise view of what you make on a monthly basis. Don't forget to include any benefit or interest payments that you may receive.

After you have an idea of the **total** amount you receive monthly, it's time to add up the **expenses** you pay every month. Generally, you can group most expenditures into two categories - fixed and variable. Here are a few examples.

Fixed bills: rent, car, insurance loans, etc. Variable bills: utilities, phone, car maintenance, entertainment, food, etc.

It is important that you tally up **everything** that is paid out monthly. That includes all taxes, retirement funds, and any other deductions that might be taken directly out of your paycheck.

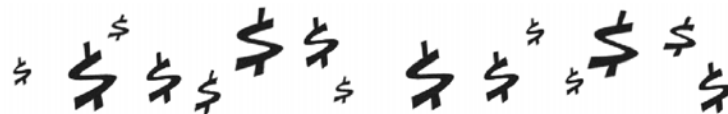
It works best if you write down **all** the expenses/bills that you pay monthly. Try and put everything in list format so it's easy to see and understand.

If you are having difficulty remembering what is paid every month, take a look back through your financial records, checkbook or bank statements for more accurate numbers.

Review Your List - Now that you have your list of incomes and expenditures, it is time to review what you have written. Look and see what bills/expenses can possibly be lowered. Do you notice any excessive spending areas? Any bills you know for sure that can be lowered?

This is where you might have to make some sacrifices. Is your dream of a new car worth giving up your restaurant outings three times a week? These are the choices you are faced with when you must decide how you are going to reach your goal(s).

Start out small. Implement one money-saving strategy a week, or a month. Remember though, only you can decide how quickly you accomplish the goals you have set.





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Track Your Spending - In the real world, you are faced with thousands of advertisements and gimmicks begging you to buy their products. Buy what you must, but keep in mind your budget.

Track as much of your spending as possible. Save all the receipts you get from your purchases. Tally everything to see how much money you saved at the end of every month.

Compare Results & Modify - Now it's time to find out if all your hard work has paid off. Were you able to lower some of your bills? Finding out how much you saved is the best part of budgeting. It's exciting! This is what makes the whole budgeting process worthwhile.

Stick with your budget! Modify your spending habits to try and lower bills bit, by bit. You'll soon forget about the whole budget idea, and just see it as a game where you try and save as much money as possible month by month.

Conclusion - The hardest part of the whole budgeting process is starting one. Once you set your mind to implement a budget, and take the time to formulate a written agenda, the rest falls into place.

Budgeting requires some small sacrifices. Changes in lifestyle. Changes in spending habits. Be creative and have fun saving money off your bills. You are doing this for **you**, to accomplish your **goals**, so stick with your budget plan and you will be rewarded!

