



How to Build a Budget

Let's Get Started!

It sounds like the easiest step, but often it can be the hardest! There are many useful tools online to help you get a budget started such as Mint.com, YNAB, and PocketGuard just to name a few.

Determine Your Goals

Your budget is a road map; create a destination that is realistic for you. When you create a budget, you are organizing your finances to help prioritize where your money is spent. It allows you to really focus on your primary financial goals. Such as getting out of debt, saving up for a home, buying a new car, or starting your own business.

Organize and Understand Your Monthly Expenses

Create a spending plan around your monthly expenses so you have a good understanding of where your money must go every month and how much money you have left over to spend.

Why is it so important to build a budget?

Creating a budget that is personalized to your spending plans allows you to re-evaluate your spending habits and set better financial goals.

There is a huge difference between what you want, what you need, and what you can afford. Identifying these differences can help you to understand your budget and save responsibly.

Stop You from Overspending

Creating a reasonable monthly budget for yourself can help you to determine when you need to stop spending. Spending unnecessary money without thinking can easily lead you to overspend, leaving you with the stress of finding a way to pay for every day necessities.

Flexibility

Having a budget allows you to be more flexible and move money between categories throughout the month, if you need to. Changing the amount you spend within each category can help you from overspending.

Save More Money

Generally, people with a budget tend to save more money than people that do not. Why? Because when you create a budget for yourself, you are assigning your money to specific a category, which helps you to better understand where your money goes. This stops you from dipping into your savings each month.

Know Your Income

Is your income consistent from month to month?
Or does it change?



Make the Necessary Adjustments

Having a budget allows you to be more flexible and move money between categories throughout the month, if you need to. Changing the amount you spend within each category can help you from overspending and keeping you in line with your budget.



Successfully Reach Your Goals

When you create a budget, you are organizing your finances to help prioritize where your money is spent. It allows you to really focus on your primary financial goals. Such as getting out of debt, saving up for a home, buying a new car, or starting your own business. Creating a budget can help you reach your goals.