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## **Budgeting How To: Where Do I Begin?**

I don't know about you, but over the years I've learned that I definitely am in the category associated with the old saying "the more you make, the more you spend." It can be very frustrating to think that you are finally in a position to get ahead, but then learn that no matter what your income, you struggle not to dip into savings to stay afloat.

The key, truly, is to plan ahead. When it comes to finances, this includes developing a spending plan, otherwise known as a budget. Budgeting is simply balancing your expenses with your income. Making a plan allows you to determine in advance whether you will have enough money to do the things you hope to do. When you don't plan, you risk spending more than you earn and falling farther and farther into debt.

Here are some steps to get started on developing your spending plan.

- 1) Start listing! Make a list of all of your monthly living expenses. From your mortgage to your Netflix subscription, list everything that you pay for. Also, list all of your income and resources. This includes money from your job as well as other income such as child support, gifts and even EBT.
- 2) Pick your budgeting method. There are several to choose from and there are benefits to each. For beginners, I recommend the 50/30/20 budget which breaks expenses into three categories: 50 percent necessary expenses, 30 percent discretionary expenses and 20 percent savings and debt payments. Other popular budgeting methods include the zero-based budget and envelope system. Do your research and choose the method that works best for your family.
- 3) Make adjustments. As you begin to follow your spending plan, you may find that you need to re-evaluate and adjust how much you spend on certain items. If you end up with more "extra" money than you planned, adjust the budget to put more into savings or to create an emergency fund.

The most important part of setting a budget is to stick to it! It's not easy to change a habit but it's worth it to learn how to better manage your resources. Financial security reduces stress and improves your overall mental health. Good luck!

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