



How to Create a Budget

Are you thinking about creating a budget?

Making a personal budget can help you:

- See more clearly where your money goes
- Save money toward a greater goal
- Give you peace of mind about your finances
- Put you in control
- Reduce stress over unpaid or late bills
- Pay off debts
- Realize your full financial potential

Some things to ask yourself:

- How do you work best?
- Do you work best with lists, charts or pictures?

Some examples of steps to follow when creating your budget:

Step One - Gather all sources of money coming in.

Step Two - Gather all of your regular expenses.

Step Three - Write down all of your other expenses that you pay for.

Step Four - Choose a budget worksheet or budget system online that works for you.

Step Five - Enter all of the money coming in and your expenses into the worksheet.

Once you have filled out your worksheet, you see if you have any money left over after bills are paid. The money left over is called your balance which can be positive or negative depending on your income and expenses.

While creating a budget is an important tool, sticking to the budget you create is equally important. Because most people experience unexpected expenses from time to time, or have unexpected changes in their income, you should consider your budget a living document. You will find yourself occasionally needing to adjust your budget as your income or expenses change. Consider this all part of the process.

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