

Budgeting



One of the first building blocks of a successful personal finance plan is the ability to budget.

Although it's easy to understand, it's also difficult to do because it requires a hard look in the mirror and a willingness to see what really stares back at you.

Budgeting requires that you analyze and, likely, change your spending habits. Instead of your money controlling you, you

control your money. Develop habits to save, avoid financial crisis and maintain peace of mind.

A successful budget plan clearly defines:

- How to follow a monthly spending plan
- Ways for lowering your monthly bills
- How to handle accrued debt
- Debt pay-off options like the snowball and avalanche methods
- How to distinguish between short-term, medium, and long-term goals
- A breakdown of family needs