

# Budgeting: Improve Your Financial Prowess

Condensed Version

## BECOME A MONEY MANAGER

1. **START BUDGETING**
2. Save for Everyday Life
3. Become Debt Free
4. Plan for Retirement
5. Invest Wisely

Budgeting doesn't need to be difficult or limiting. They can be as simple or complicated as you want to make them. A budget is where you categorize every dollar that you make, spend, and save. It is a PLAN... a guideline for what you will do with your money.

Budgets matter because, while living outside of your means may seem harmless (at first), in the end the debts that you have to pay back will crush you if you are not ready for it. BUDGETING. IS. IMPORTANT. It *does* matter. Budgeting leads to living within your means and **THAT** is the best way to financial freedom.

### Budgeting 101 – Creating a Budget

Grab a pen and paper or open up one of the spreadsheet templates on my website and follow along.

Step #1 – Calculate Your Income – All money earned (Salary, interest, investment earnings, etc.)

Step #2 – Calculate Your Expenses – All expenses (Housing, utility, auto, food, personal, etc.)

Step #3 – Calculate The Difference – Income minus (-) expenses equals (=) difference

Step #4 – It's Done; Start Living Your Budget! – Keep track and adjust accordingly

### Budgeting Tips & Advice

#### Tip & Advice #1 – Forecasting & Planning

Stop living paycheck to paycheck by getting on board with a budget and then looking forward for the rainy days that might come.

Forecast – Look ahead and try to predict potential future events. Consider a years' time frame.

Plan – Take your forecast list and make a plan to save money each month for each of those predicted future events.



### Tip & Advice #2 – What Percentage Should I Save?

Experts have been heard saying 10% - 30% or even more. It would seem prudent for you to be somewhere between those numbers for retirement and normal savings combined. BUT, same as much as you can comfortably save...then try to save a bit more than that.

### Tip & Advice #3 – Look at the Expenses

Spending money is really fun, but if money is spent on too many frivolous things, it will kill your budget. Look at your budget and consider removing or reducing items that you are spending too much money on. Check out the second article of the Money Manager series where you learn to [Unleash Your Savings Plan](#).

### Conclusion

Start living on a budget. You will feel empowered knowing where your money goes every month. Keep track of where you are each month and adjust accordingly.

**Managing your money just makes sense! It is a life skill that puts YOU in control. And once you have that control, then you truly have POWER OVER LIFE.**

