

Budgeting Basics: What everyone should know

By now you know the importance of creating a budget, but creating it is often the easy part, sticking to it is another thing! Here are some helpful tips for maintaining your budget while you're busy managing your life.

Tips to help you stay on track with a budget:

- Involve the entire family
- Agree on a budget up front and meet regularly to check your progress
- Stay disciplined: Try to make budgeting a part of your daily routine
- Start your new budget at a time when it will be easy to follow and stick with the plan (e.g., the beginning of the year, as opposed to right before the holidays)
- Find a budgeting system that fits your needs (e.g., budgeting software)
- Distinguish between expenses that are "wants" (e.g., designer shoes) and expenses that are "needs" (e.g., groceries)
- Build rewards into your budget (e.g., eat out every other week)
- Avoid using credit cards to pay for everyday expenses: It may seem like you're spending less, but your credit card debt will continue to increase

Ways to Cut Down on Household Expenses

Cutting down on household expenses can help you stick to your budget. Here are some ways to make every penny count:

- Save money on grocery bills by planning your meals ahead of time and using a grocery list
- Buy items in bulk at warehouse clubs and discount stores
- Save money on heating costs--lower the thermostat at night and while you're at work
- Save money on phone bills--shop around for a cheaper long-distance plan
- Avoid accumulating high-interest debt--cut up your credit cards and use cash instead