

Let's Create Your Ideal Budget

Now it's time to create your Ideal Budget. This is a little different than any budget you've probably ever done. You get to stretch and drop in the numbers you want. And I mean really want, without regard for what your numbers currently are. It's your 3 – 5 year goal. Now, you have to be reasonable; you can't go crazy doing this. You can't put a Rolls Royce in your spending plan if you earn minimum wage. But if a Rolls Royce is truly the one thing you've always wanted, more than anything else, you will want to put in your plan some money for education so that you can earn more and put a Rolls Royce on a future spending plan.

Use the examples from the last few pages and continue to ask yourself what's important as you move through the categories. Is your car important to you? Or is it just a tool to get you from place to place? Most of us at some point have bought the best car we could afford, just because we thought we should. But did we stop to think, "Do I care?"

Are you thinking "I can barely make ends meet as it is; it would be a waste of time to put together an Ideal Budget?" It's hard to imagine how useful this tool is until you do it, and then use it as a part of your financial goal setting. It indeed seems ridiculous to put \$1,000/month into your spending plan as savings for a European vacation when you haven't even been able to afford a weekend trip to the beach.

But designing your Ideal Plan helps you realize that "hey, vacations are really important to me, and I never take them because I never set any money aside." You might go ahead and put that \$1,000 in, even though you know you couldn't fund it in the next year. There's a next step when you develop the Budget you're going to use in the coming months. On that one, you'll be much more inspired to make sure you put some money in there for that weekend trip to the beach. And maybe even just a little to put in a Dream Fund for a European vacation, just to take baby steps toward your dream.