

# Creating a Budget Can be Perplexing

The word budget has become a bad word. It conjures thoughts of limits, tightness, being told what to do. The thought of having one is bad enough, but the thought of having to create one is even worse. It's a muscle you don't get to use very often, if ever. You probably didn't learn how to develop a budget in school and your parents probably didn't teach you either. And if you're like most others, this is what happens when you put together a budget:

- ⇒ you pull together your bills
- ⇒ you drop in the numbers you know
- ⇒ you estimate the obvious others (food, gas)
- ⇒ you total it up, and it's less than you earn!
- ⇒ you say to yourself "What? How could that be? I never have any money left over."



BUDGET	
RENT	\$ ~
CAR PAYMENT	\$ ~
CREDIT CARD	\$ ~
STUDENT LOAN	\$ ~
FOOD	\$ ~
GAS	\$ ~
PHONE	\$ ~
FOOD	\$ ~
EATING OUT	\$ ~
	\$5,000

CASH FLOW	
INCOME	\$6,000
SPENDING	\$5,000
SHOULD HAVE LEFT	\$1,000

REALLY HAVE LEFT	\$0
------------------	-----

The culprit is almost always the mysterious "predictable, but non-recurring expenses." They're the things that happen, even though we wish they didn't, like vet bills and car repairs. They're even the things we want to happen, but didn't plan well enough for, like summer vacations and holiday gifts. We all know we spend money in these areas, but almost all of us underestimate the true costs.

**The end result:** a budget that is unrealistic and thus, perplexing.

