

Why Should I Make a Budget?

You say you know where your money goes and you don't need it all written down to keep up with it? I issue you this challenge. Keep track of every penny you spend for one month and I do mean every penny.

You will be shocked at what the itty-bitty expenses add up to. Take the total you spent on just one unnecessary item for the month, multiply it by 12 for months in a year and multiply the result by 5 to represent 5 years.

That is how much you could have saved AND drawn interest on in just five years. That, my friend, is the very reason all of us need a budget.

If we can get control of the small expenses that really don't matter to the overall scheme of our lives, we can enjoy financial success.

The little things really do count. Cutting what you spend on lunch from five dollars a day to three dollars a day on every work day in a five day work week saves \$10 a week... \$40 a month... \$480 a year... \$2400 in five years...plus interest.

See what I mean... it really IS the little things and you still eat lunch everyday AND that was only one place to save money in your daily living without doing without one thing you really need. There are a lot of places to cut expenses if you look for them.

Set some specific long term and short term goals. There are no wrong answers here. If it's important to you, then it's important period.

If you want to be able to make a down payment on a house, start a college fund for your kids, buy a sports car, take a vacation to Aruba... anything... then that is your goal and your reason to get a handle on your financial situation now.

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