

The Budget - The Ultimate Financial Management Tool

A carpenter uses a set of house plans to build a house. If he didn't the bathroom might get overlooked altogether.

Rocket Scientists would never begin construction on a new booster rocket without a detailed set of design specifications. Yet most of us go blindly out into the world without an inkling of an idea about finances and without any plan at all.

Not very smart of us, is it?

A money plan is called a budget and it is crucial to get us to our desired financial goals.

Without a plan we will drift without direction and end up marooned on a distant financial reef.

If you have a spouse or a significant other, you should make this budget together. Sit down and figure out what your joint financial goals are...long term and short term.

Then plan your route to get to those goals. Every journey begins with one step and the first step to attaining your goals is to make a realistic budget that both of you can live with.

A budget should never be a financial starvation diet. That won't work for the long haul. Make reasonable allocations for food, clothing, shelter, utilities and insurance and set aside a reasonable amount for entertainment and the occasional luxury item. Savings should always come first before any spending.

Even a small amount saved will help you reach your long term and short term financial goals. You can find many budget forms on the internet. Just use any search engine you choose and type in "free budget forms".

You'll get lots of hits. Print one out and work on it with your spouse or significant other. Both of you will need to be happy with the final result and feel like it's something you can stick to.

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