

The Intentional Mom How to Be Frugal

Lesson One Preview

Creating a Budget

When it comes to laying the foundation and putting the groundwork in place for this course, we simply must start with creating a budget.

Before you start to feel overwhelmed, let me assure you that I will take you through this process step by step, taking the scary right out of it.

When it comes to budgets, however, not all budgets are created equal, at least when it comes to walking through the process.

These are the steps to familiarize yourself with before you begin, and as you create your actual budget in the next lesson, keep these nearby so they can help keep you on the right path.

Be realistic and honest

In order for your budget to actually work, this is an essential place to start. Even if it is difficult to look at where your money is going on paper, it is a key ingredient to having an accurate budget that works.

Be thorough

Most likely you have things that only happen certain times a year like insurance premiums, taxes, and annual physicals. These types of things are part of being thorough.

I find it is easier to take these once in a while expenses and break them down into monthly payments, even if I'm only setting that money aside in an envelope for later. I do love using the envelope system.

Go slow

Creating an accurate and complete budget takes time and is not something to be rushed through. A budget that is actually correct can't be tackled in an hour. Don't rush through creating a budget, add and subtract things as they come to mind, and continue to mull things over even after your budget is "done."

Tweak and adjust as needed

You will probably find that adjustments need to be made fairly regularly, especially in the beginning. Just like most things, life demand that even our budget must be fluid as expenses come and go. I find that the larger our family gets, the more fluid things like our budget must become as well.

Be in agreement

If you have a spouse, the budget is something that you must both be in agreement with from all angles if you are to succeed. I will address how to find a middle ground if one spouse is a saver while another is a spender, but for our purposes here, the budget must be agreeable to both parties.

Plan ahead

Project the expenses you know will come up. Do you have kids who have sports fees due next season, will someone in your family need new glasses, or will an end of the year bonus be coming in?

Planning ahead in your budget will create a more accurate assessment of what money is coming and going. Vet bills, oil changes, new tires, and birthday celebrations should all be figured in here.

Leave a "what if" cushion

This is separate from your emergency fund. This is a smaller sum of

money that will help cover those little things like a teacher gift, a new pair of boots when one goes missing, or a haircut to fix up the mess that your son created with some scissors in his sister's hair. These things and more will be well served by having a "what if" fund in place.

If you blow your budget, get back on track as soon as possible

As tempting as it may be to jump completely off the wagon if you head a bit off course, resist the temptation to throw all caution to the wind for a time.

When you see that you've gotten off track, get back on just as quickly as you can. A couple of missteps can open the door to some giant mistakes that you will regret later on if you are not careful.

If creating a budget seems overwhelming, using these eight tips will help take the mystery out of it a bit while also setting you up for success.

If you are looking to live a more frugal lifestyle, to add a bit more to your savings, or to purchase a larger item, having an accurate budget will be a great help to bringing these goals to fruition.