

FAMILY FOCUS

Budgeting: A Word That Makes Most People Cringe

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The family budget is one of the most powerful tools for successfully managing a household. You don't need a degree in accounting; you do not have to like numbers; you simply need to have a plan to succeed with your finances. Families have many obstacles when it comes to budgeting: clothing for growing children, child care expenses, health care costs, school expenses, etc. A budget will make each of these obstacles seem less daunting. You will have a plan on how to conquer challenges!

Budgeting in its basic definition: the money that comes into the household (income) and the money that is spent by the household (expenses). To get started you need the following: a blank notebook, a pencil, calculator and all of your income and expenses for a month. Here are a few steps to creating a basic budget:

1. List all of the income - money received, during the month.
2. List the monthly expenses you have such as rent/mortgage, insurance, utilities, cell phone, car payments, child care costs, food expenses, etc.
3. Subtract the expenses total from the income total.

If there is money left over, plan what to do with this surplus. Can you save for the holidays, a vacation, your child's college or pay off a debt early? Having a plan helps keep this money in your pocket rather than at the checkout at your favorite store. Sometimes, the result is a negative balance at the end of the sheet. If this is the case, evaluate the importance of the extra expenses and see where you can make cuts. Will a different cell phone plan reduce your expense? Could you buy food in bulk or shop in a different location to reduce food costs? Utilizing the public library for books and movies rather than buying or renting them? Little changes can help in balancing the budget and eventually creating a surplus.

The family budget is a powerful tool that can change your future. Your spending decisions are critical in determining how you will use your income. Plan now, so you can be free of the worry later!



Do you know somebody interested in becoming a child care provider?

Have them call their local Child Care Resource & Referral Agency at 1-855-750-3343 for more information!