Article published on April 16th 2012 | Business

What difference does a spending plan make to your familyâ€™s overall financial wellbeing?

If you value spending time with your family, for example, how would your spending plan impact that? Should you use your family night budget to buy new winter coats instead?

The beauty of a spending plan is that it doesnâ€™t tell you what to do with your money. You get to decide what you think is the best use for your cash each month. The objective of successful budgeting is learning to live within the limits of your discretionary income.

We would all, in an ideal world, like to save some money more or less habitually. However, itâ€™s okay if you cannot possibly imagine saving money right now, particularly in the present economy where you may be having difficulty making ends meet. Thatâ€™s where a spending plan comes in: you can use it to map out your priorities so you can decide what you really would like to spend money on and what you can do without.

Many people have a negative reaction to the word â€œbudgetâ€• because it implies something that is restrictive. It helps to call this essential element in money management a â€œspending plan,â€• because this implies more flexibility to deal with unusual situations as they occur. The first step in developing your spending plan is to keep careful records of what and where you are currently spending your money. Once youâ€™ve done that, you can follow the seven essentials to a healthy spending plan:

Written cash flow plan or budget recording your inflow and outflow, so you can properly spend and save and reduce debt. Get started with the free trial plan on www.CalendarBudget.com.

Debt reduction plan using the â€œsnowballâ€• method, where you pay off your entire debts one at a time, and as each debt is paid off, you apply more funds to the remaining ones until everything is paid off in record time.

Emergency funding, which consists of three to six months of living expenses.

Retirement funding using programs such as 401k, 403b, 457 or SEPP.

College saving, which can be done with an ESA (educational savings account).

Charitable giving: think about giving to non-profits and other altruistic organizations that you believe in and would like to support.

Insurance: every household should have life insurance, health insurance, disability insurance, auto insurance and homeownersâ€™ insurance.

Once you figure out your spending priorities and then start looking at how to develop a system to manage your household finances, your spending plan will become a permanent feature in your life. Use www.CalendarBudget.com to help you figure out how best to allocate your money, so you can stop worrying and start enjoying more quality time with your family.

Article Source:
http://www.articleside.com/business-articles/how-important-is-a-spending-plan.htm - Article Side

Chavezance - About Author:
CalendarBudget improves your financial productivity by using a Budget Manager which helpful to plan easily and create a A budget Planner to track your expenses, your incomes and your savings.We offer best Budget Software Programs that fits into your requirements and adhere to budget constraints.

Article Keywords:
Budgeting at home, Financial Budgeting,Budget Software Program ,Budget Manager,A budget Planner

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!