Article published on May 12th 2012 | Finance

How to Create a Spending Plan in Just 5 Steps

Putting your monetary objectives in writing can make them appear more tangible and attainable. Itâ€™s easy to let everyday purchases and commitments hinder you from saving for the future, however. One of the best ways to ensure your day to day spending behavior doesnâ€™t overpower your life goals is to make a spending plan. You too, can spend money wisely, get out of debt and save for the future when you follow the strategies for creating a spending plan below.

Foolproof Method for Creating a Spending Plan

Step 1: Identify Income

Create a worksheet listing all the sources of income for your household: wages, bonuses, overtime, investment income, child support, alimony â€¦ everything that puts money in your pocket. You can use the tools provided at www.CalendarBudget.com to help you with this step. Feel free to form your own categories and make â€œbest guessâ€• approximations for certain amounts.

Step 2: List Expenses

Record all your standard monthly expenses, taking into account any funds that you splurge on pleasurable things like eating out, entertainment or leisure pursuits or any minimum payments that you have to make towards your debts. Again you can use www.CalendarBudget.com to make this step easier. To make an allowance for enough planning time, make your spending plan before the start of the month.

Step 3: Compare Income and Expenses

At the end of the month, check what you spent your money on and match it up to your income. Shocked? Now itâ€™s time to sort out your bill paying and fine-tune your flexible spending. What can you reduce? Letâ€™s say you want to cut your food budget by ten percent: eating in more will help you get there. You can get some more savings ideas at www.CalendarBudget.com.

Step 4: Set Priorities and Make Changes

Create a worksheet listing your short, medium and long term goals, the dollar requirements for achieving them, and suitable timeframes. Itâ€™ll help to have a precise and clear plan of what itâ€™s goin to take to get you to those goals when it comes down to the tough spending decisions. More importantly, this worksheet will let you know how close you are to the next big payoff.

Step 5: Plan for â€œMurphyâ€™s Lawâ€•

Murphyâ€™s Law is the idea that anything that can go wrong will do so at the worst possible moment. Offset this by adding a further ten percent to your spending plan.

After youâ€™ve gone through these five steps, put any remaining cash towards paying down your debts. Donâ€™t worry if your first month doesnâ€™t go as planned. Creating a spending plan is a process and fi tuning is essential. Make a new spending plan at the start of every month, and prepare to adjust it during the month. You plan needs to be flexible, or else it will not work.

This content has been taken from
http://www.ideamarketers.com/?http://www.ideamarketers.com/?articleid=3219855&CFID=173255713&CFTOKEN=72856050

Article Source:
http://www.articleside.com/finance-articles/how-to-create-a-spending-plan-in-just-5-steps.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!