

How Budgeting Benefits Your Family

Budgeting will help your family work together as a team.

A budget can be used to develop good communication between husband and wife. It's one of those issues you can sit down together to discuss and then come to a reasonable compromise. A budget is really very simple. You have a given amount of money to spend. A budget helps you decide how you're going to spend it. No more will you be so quick to raise your debt to higher heights. You will be less inclined toward indiscriminate spending, discretionary purchases and impulse buying. You will stay out of the stores that provide you with the greatest opportunities for temptation.

Budgeting will give your family a spending plan.

A budget is simply a family-spending plan; a money makeover, if you will. You've heard of personal and physical makeovers. You know that if you diet (and don't cheat) and get yourself on an exercise plan (and stick to it), well, the pounds are going to come off. Not only will you feel better about yourself, you'll feel more in control of your physical health. Budgets are like your own personal or family business on a smaller scale. It paints the picture of all your income, minus all your expenses, and tells you what is left over. It becomes a guideline to all of your spending. When you budget your income and expenses and you see what the result is, you may either have to raise your income or reduce your spending.

Here's how it translates financially: If you make a budget (and stick to it) and put money away for short- and long-term goals (with regularity), you'll feel better about your financial health—and more in control of your financial future.

Fortunately, you don't need an MBA to get your finances in shape. You don't need hours of extra time. A few basic steps will get you where you need to go.

Budgeting encourages good communication.

If you are married, have a family, or share money with anyone, having a budget that you create together is a key to resolving personal differences about money handling. The budget is a communication tool to discuss the priorities for where your money should be spent, as well as enabling all involved parties to run the system.