

# The Intentional

Mom

## How to Be Frugal

### Lesson One Preview It's All About the Budget

When it comes to taking this financial journey in how you can be frugal, it must start with creating a budget.

Before you let the word budget conjure up a bunch of negative images in your mind, let me explain what a budget is in its simplest form: **A budget is a basic accounting system to log what money comes in and what money goes out of your family income every month.**

Read that once or twice more. Let that sink in. Do you see how a budget is really nothing scary at all?

Will a budget take work? Yes. Will a budget require you to get honest about what you do with your money? Yes. Could this be difficult? Yes.

However, a budget is a necessary, perhaps even *the* most necessary ingredient when it comes to taking control of your finances so that they can work for you rather than against you.

Not convinced about this whole budget thing? I've got eight reasons that you need a budget. Hear me out.

## **A written budget is a way for you to see where your money is coming and going**

Whether you are a paper person as I am or prefer to track your budget in digital format, it is an awesome way to see how your money is and isn't working for you.

I will warn you, it can be shocking at first when you actually realize how much you are spending on certain things, especially when it comes to the unnecessary spending that we all take part in, but seeing where your money is coming and going is a great first step in being more mindful of how your money is working for you.

## **A budget is a great opportunity to see the things you may be paying for that you've never even thought about before**

For instance, are you aware of how much money you are spending on things like car maintenance? This would include things like oil changes and other routine service work, new tires, or even tire rotation fees. Oftentimes our money goes out on things like this, but we rarely give these types of things much thought.

## **Having an accurate budget is one of the first steps to take in intentionally saving money**

If you are looking to stretch your money and really make some progress in growing a savings account, having a budget is a necessary place to start.

When we are able to reign in certain expenses that we were previously unaware of, your savings in these areas can go right into your savings account. Then, watch those savings grow!

## **A budget is a major stress reducer**

When you have a budget, there are many fewer "unexpected" expenses because you have already tracked your spending for some time and have accounted for nearly everywhere that your money

goes. This is especially true when it comes to holiday and gift spending.

**Creating and adhering to a budget allows you to know where your financial future is headed**

If you've never had a budget before, this could be the first overview you have of your financial picture - both now and in the future. It is always helpful to know where you *are* while also knowing where you *are headed*.

This is true when it comes to so many things in addition to financial matters. This concept is at the heart of creating a [mission statement](#).

**A budget is an incredible way to have the entire family on the same page when it comes to how your family handles financial and spending matters**

It could be that having a budget is the first time that you and your spouse can see the same assets and liabilities when it comes to your finances. If you and your spouse don't see eye to eye when it comes to your finances, I gave some great steps to take to bringing resolution to this situation in [What to Do When One Spouse is a Spender While the Other is a Saver](#).

Having everyone, including kids who are old enough, on the same page within your family will make your life sooooo much easier. It may even reduce some conflict! I shared a bit more about this in [When Living Frugally is a Family Affair](#).

**By having a budget and being intentional in your spending, you are providing a wonderful example to your children when it comes to handling money matters**

If you are surrounded by young kids this can be a difficult concept to grasp, but trust me when I say that soon those little ones will be in high school. Ask me how I know that one ;)

We would all want our children to avoid money struggles, and having a budget in place and even involving your children in the budgeting process is one of the best ways that you can be proactive in the lives of your children in this way.

### **You will have an amazing skill set**

Of course none of us ever want to think about a financial picture that looks rather bleak, however, the one thing I think we can all agree on is that life has a way of catching us by surprise at times. These are things like job changes, unexpected bills, or major home repair, and these are just a few of the things that can greatly affect your financial picture in both the short term and the long term.

When you already have a budget in place, you can easily see how having control of your finances in this way will be an enormous asset. Taking and making the time to create a budget will be time well spent. Having adhered to a budget for more than 20 years has been a life saver in my life numerous times.

Of course my budget has changed over time, as will yours, but there are components that have remained the same since I created my first budget years ago.

It is also true that once you've done it and have the format figured out, it becomes easy to just tweak it as needed.

Now that you know why you want a budget, let's move on and talk about how to do that.