

LIVING ON A BUDGET - THE BASICS

WHY IT IS IMPORTANT AND WHY IS IT HARD TO LEARN?

A BUDGET IS ONE OF THE ESSENTIAL STEPS NEEDED TO ACHIEVE YOUR GOALS IN LIFE

Many things in today's world, both globally and individually, is a choice about what to spend money on and, just as important, what not to spend money on. Goals can be short term or long term, small or large, essential or luxury. Individually goals vary, but all goals have one thing in in common: they are your goals, specific to your life.

SCHOOL VERSUS REALITY

You may have learned about budgeting in middle or secondary school, and if you did, it likely didn't mean anything because it had little relevance to your old self. Creating a budget using simulated incomes with simulated expenses had no consequences. Now, your incomes and your expenses are real, and therefore the consequences are real as well.

PEOPLE RUN INTO PROBLEMS TRYING TO FOLLOW BUDGETS WHEN THEY ARE SET BY SOMEONE ELSE - YOUR LIFE IS UNIQUE AND THEREFORE YOUR BUDGET SHOULD REFLECT THIS REALITY

Recommended guidelines should be considered and individualized- they are the cumulation of what works for most people and therefore should not be ignored.

TRADITIONAL BUDGET GUIDELINES AND STRATEGIES ARE A GREAT FIT TO A TRADITIONAL LIFESTYLE

One job that pays you monthly and most of your bills are paid at the end of the month. They fit great with a regular paycheque and a "cash spending" system (which still does have its benefits). But many of you have multiple sources of income, which you receive at various times in the month and at various times throughout the year. Expenses may be due at various times in a month, but most recur monthly so it is helpful to consider them monthly. A good monthly budget will help you to match your income with your expenses to make your life easier and not more complicated.

BUDGETING IS A HABIT AND IT IS DYNAMIC

It is an activity that you do daily, weekly, monthly. A budget is reviewed and adjusted when your lifestyle changes. It is a path that gets you to where you want to be.

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