Establishing a budget is an excellent way of tracking your spending and you do not need to be struggling with money matters in order to benefit from using a budget.

**Budgets can expose some cold hard home truths**

Doing a budget can be the simple solution to rectifying a challenging financial situation but few people do a budget because it exposes spending habits which they prefer to keep hidden. Many people do not want to change their habits despite it costing them an arm and a leg.

There are two parts to a budget.

Your income and your spending.

Your income can be wages from a job, profit from a business, or income from investments.

Your spending covers everything which is costing you money.

In short if it makes you money it is income and if it costs you money it is spending.

If you can do some simple maths you will soon discover whether you are left with a surplus or a deficit.

If you have a surplus and you are in debt, use the money to pay off your debt.

If you do not have any debts you can use some or all of your surplus for one or more of your goals; this could be saving for a holiday, saving for a house deposit, saving for a car, or investing it in the share market.

There are so many places to invest your money these days that if you did your homework you will find an appropriate investment for your circumstances.

If you have a deficit you need to take some kind of action rather than try and bury your head in the sand because if you do nothing your financial situation will worsen.

There are two things you can do to balance the books;

1 Reduce spending

2 Increase your income

I don't know how financially literate you are but if you do not understand financial jargon then I advise you to see a financial advisor to discuss your situation. The public library will have information on where to find a budget advisor.

At the Library will also find good books on how to manage your finances and increase your wealth.

A budget advisor is unable to help you unless you are completely honest about where your money is going.

It is up to you to make the decision on which sacrifices you are prepared to make. No one else can make that decision for you.

Your spending can be placed in two categories, your needs and your wants. You may be able to reduce some of the money you spend on your needs but it is the money you spend on your wants which you may find easier to eliminate.

Being able to afford whatever it is you need can be as simple as re prioritizing your spending. It is a matter of transferring your spending from one item to another.

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