

Building a Budget

HARVEST WEALTH

So, you need to build a budget.

You know you should have one already, but you don't, and now you feel you *need* one. This is likely because you were doing just fine paying off your monthly credit card bill. Lately, however, you have been moving additional funds from your savings account to help cover your spending. Your savings account is shrinking, and you feel some bad spending habits taking control of your life.



This is a common scenario. It happens slowly and then it hits you suddenly. The good news is that there is always a way out. The “bad” news is that it is going to require ongoing discipline. We have found there are three basic approaches to budgeting depending on your personality and how detailed you want (or need!) to get.

Detailed Spending



- Break down your spending into categories and assign a budget for each.
- Live within each category.
- Save what is left over.

Broad Categories



- Bills – these are your known recurring expenses.
- Credit Card - this is everything else. Set a monthly cap on your spending, and do not exceed it.
- Save what is left over.

Pay Yourself First



- Decide how much you want to save each period and immediately meet that goal before any other spending is done.
- Live within whatever is left over.



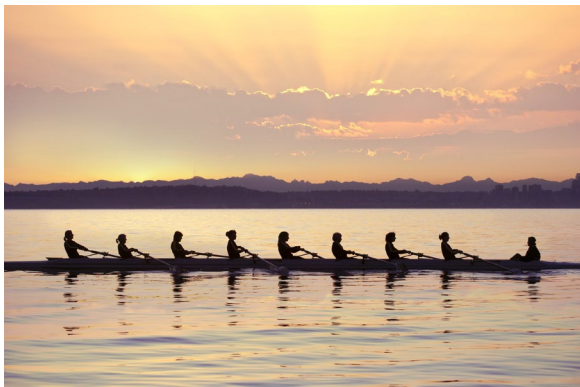
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Most people develop a hybrid approach to managing their personal budgets. For instance, you might have a detailed breakdown of where your money goes. Then, you pay yourself a fixed amount for savings each month and deposit a fixed amount into your spending account that covers your fixed costs plus a monthly discretionary amount.



We have mentioned three ways, honestly there are dozens more. The best system is the one that you are going to use. Whatever path you take, remember the most essential rule about building a budget – *Be honest with yourself.* Just like when you visit a doctor to diagnose an illness, unless they know exactly what symptoms you have, they cannot cure you.

Every dollar that you earn has a roll in your life. So, give every dollar a job by assigning its place in your new budget.

Schedule a meeting with your Harvest Wealth advisor to discuss building a budget and receiving ongoing behavioral coaching to stay on track.

For a comprehensive review of your personal situation, always consult with a tax or legal advisor. Neither Cetera Advisor Networks LLC or any of the representatives may give tax or legal advice.

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