



Matt Wyckoff

Improve Your Lifestyle With A Family Budget

By Matt Wyckoff

Is money flowing through your fingers faster than water? Do you think a budget is only about reducing expenses? The following are a few tips that will bring some additional benefits to your plan and help you stick to your family budget through thick and thin times.

All in the Family

Before you can put together a realistic family budget, there are three things you will need to do first:

- Get all the family members involved, including your children
- Track all of your expenses for a month or two prior to starting your budget
- Get everyone's commitment

Typically, most budgets fail because they are not realistic and not all family members have “bought into” the process. These preliminary steps can get your family budget started down the right track.

Once you have reviewed your expenses for a month or two, you need to determine the best way to list everything. Usually, a spreadsheet works best.

Small Changes, Big Savings

Before and after your budgeting process, you should consider making some small but effective changes in cost saving, going green, healthy eating and children's money matters.

- Cost saving. Eliminate or reduce some expenses that you noticed when you were tracking your expenses. For instance, take your lunch to work or school instead of buying it every day; reward yourself with an expensive cup of coffee once a week instead of every day. Clip coupons. They can add up at the grocery store. Look for “buy one, get one free” deals.
- Go green by getting the family on board. Discuss ways to use less water, less electricity, recycle, ride bikes or walk instead of driving to nearby places, use vinegar as a cleaning staple, etc. These can be fun, family challenges which can be recognized on a daily basis.
- Consider a healthy diet and better eating habits for the entire family. This can reduce the amount of junk food in the house (to reduce expenses) and get everyone feeling better, too. Make an agreement that everyone eats dinner together. This may reduce grazing on everything all the time.

- Decide if giving the children an allowance each week or month would be better than requiring them to ask for money each time. This might help them understand that there is a set amount for them to spend on lunches and school activities and when it is gone, it's gone.

Time to Start Your Budget

According to the Bureau of Labor, the average family spends nearly one third of their income on housing. Be sure to include things that may not have shown up during your preview of your expenses like: annual expenses (insurance and taxes), unexpected expenses like medical deductibles, school events and things that just break. Consider repair expenses for your car and house, too.

Pay Yourself

Don't forget to allow some savings dollars. If you pay off certain bills, consider putting that payment right into your savings account. As you work with your budget you will need to update it based upon any changes in expenses and/or income. This might allow more savings opportunities, too!

Review the Results – Include the Kids

Review the results with the family. Re-enforce the good things and talk about the expenses that didn't go the direction that you had hoped or that were a surprise. The kids will be proud of their accomplishments and understand the results of their spending decisions better.

Resources and Hints

Helpful resources include: www.miscosoft.com then go to "Templates" where you will find budget forms. You can get free budgeting tools there. For budgeting and savings ideas, check out the "Money" tab at Consumer Reports (www.consumerreports.org) or AARP (www.aarp.com), where it is never too late to establish a budget. In addition to the many online resources available, check out your local Sunday newspaper for coupons and other specials.

You may also want to consider signing up for loyalty programs at your local grocery store. Ask the store employees for coupons. They usually have some available. When you find something you like, ask the salesperson when they are having their next big sale.

While budgets take commitment and team work, family financial plans are a great way to organize, outline and even improve your *lifestyle*. *Start a budget today for more savings tomorrow and throughout the New Year.*

Matt Wyckoff is Senior Branch and Vice President of First Bank Woodland Hills and runs a Business Networking Group for bank clients and local business owners. He can be reached at 888-0272.