

## ***Make a Commitment to Follow a Budget***

### **1. Set a Goal**

The more specific you can be when setting a goal, the more likely you are to reach it. What are your goals? Don't forget, you can work on more than one of those at a time! In fact, many financial experts encourage that.

- ✓ Create a detailed budget.
- ✓ Follow a budget by tracking expenses and limiting expenses to be within the budget.

My goal is: \_\_\_\_\_

### **2. Set Your Start Date**

When will you start to follow a budget? Studies have shown that it helps to:

- ✓ Pick a date in the next month.
- ✓ Choose a day that you have some control over.
- ✓ Select a day that won't be too stressful.
- ✓ Mark your date where you will be reminded (in your planner or phone, etc.).

I will start following a budget on: \_\_\_\_\_.

(Insert date)

### **3. Tell Others about Your Commitment**

Public commitments are stronger than private ones. Every time you tell someone about your promise to start following a budget, you make your commitment stronger.

Start to strengthen your determination by:

- Deciding who you will tell about your commitment, and
- Telling them about your plans.

Who will you tell about your plans?

I will tell:

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How will you tell people? Consider these ideas:

- Update your Facebook or Twitter status to: *I am starting to follow a budget!*
- Say to your friends, family, and co-workers: *I wanted to let a few people know that I'm planning to follow a budget. Telling people will help me keep my pledge. I plan to start on \_\_\_\_\_.*
- Send an email, text message, or instant message stating: *I am committing to create a detailed budget!*
- Put a note on your refrigerator: *Following a budget starts \_\_\_\_\_!*

So don't wait! Let as many people as possible know that you're going to be following a budget.

#### 4. Make a Detailed "Action Plan"

- To create a budget, you need to figure out what is coming in (your income) and what is going out (your expenses). Then, you need to set the allotted amount for each category. For help, you can use online budget tools like Mint.com; LearnVest; FinanceWorks; or Spendster.org (<http://budget.cashcourse.org/>). See the *Online Budget Software Resource Sheet* for more information on those tools. If you prefer, you can use a spreadsheet (see *Budget Spreadsheet Resource Sheet*) or good old paper and pencil.
- After you set up your budget categories, you need to track against them and live within them. How will you track? A small notebook, a mobile app, or a spreadsheet? Hopefully, your bills and savings will be automatic, so the good news is that whatever is left over is discretionary money that you can spend on wants vs. needs. Of course, when that discretionary money is gone, it's gone.
- In what spending categories will you need to make changes to follow your budget?

*My Action Plan*

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