Managing Personal Finances

The Benefits of Budgeting

When going on a road trip, most people have a map which tells them how to get from point A to point B. The map is important, because it tells you how to get to your desired destination. A well-developed budget is just like a map to help you reach your financial goals. You start at point A, and the budget helps you go the distance get to point B.

Getting Rid of Debt

Having a budget can be very beneficial to get the hardship of debt off of your plate. Debt is money that is owed by one person to another person, or company. Many people these days struggle with the burden of debt. The Pew Charitable Trusts reported in 2015 that 80% of Americans were in debt. The median is almost $68,000 for Americans, talk about stressful!

Debt can take many different forms, here are just a few:

- Mortgage
- Credit Card
- Medical Bills
- Personal Loans
- Car Loan
- Bank Overdraft Charges
- Student Loan

Generating Savings

A well-crafted budget could help you create a savings. In this context savings means money that a person has saved, usually through a financial institution, but not always. Having a savings is critical, and often overlooked. You never know when lightning is going to strike, the car is going to break down, or you're suddenly needing to have an emergency appendectomy. The boy scouts have a motto, always be prepared. We don't always know what is coming our way in life, but a little foresight and preparedness can help. Saving a small emergency fund could mean the difference between saving the day, or total disaster.

