

2.24. THE WAY TO STAY OUT OF DEBT

In these changing times, managing family resources can be a challenge. How can you meet the challenge successfully? The answer is not necessarily more income. Financial experts say that the answer has to do with having a sense of where the money is coming from and where it is going. To do this you need a budget.

Budgets, however, “conjure up all sorts of images of dreariness,” says financial adviser, Grace Weinstein. So, many people simply will not make one. Managing money and making money call for different skills, and most people are not trained to manage money. Budgeting, though, is easy to learn. It involves making a list of income and a list of expenses – and then KEEPING THE EXPENSES WITHIN THE INCOME. This work can be enjoyable, and living by it can be satisfying.

FAMILY BUDGET

	Actual amount		
	Spending	Essential	Budgeted
Expenses			
Food			
groceries			
eating out			
hospitality			
Housing			
Clothing			
Transportation			
Gifts			
Taxes, insurance			
TOTAL (compare with income)			
Income			
Salaries			
Interest on savings			
TOTAL (compare with expenses)			

In the “Actual Spending”, enter the amount you currently spend for each item. The column “Essential?” is vital to consider if an item is essential or not. If it is, enter “Y”, if no, enter “N”. Remember, that total listed in the “Amount Budgeted” column cannot be greater than your monthly income.

Task:

1. What do you think about on hearing “state budget” and “family budget”?
2. Work in group and say if this chart is worth using in your family.
3. Using this chart say what your monthly income and expenditures are?