

Plan Your Spending Every Month

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PLAN EVERY MONTH!

I used to provide one-on-one financial coaching for 10 to 15 people each week. In this session, we usually put together a spending plan for the upcoming month. This was usually a VERY eye-opening experience! The words "WOW!" and "Oh my goodness!" and "That's insane!" were commonly said (No – I am not the one saying that!).

Folks then leave with their spending planned for the next month. They have spent every dollar on paper. If they follow the plan, they will start winning in a way they never have before. Two or three months pass and we meet again – only to find out that they are still trying to use the same spending plan we had put together!

THIS WILL NOT WORK WELL!

Why? Well, every single month is different. Now, some costs are fixed (or close to being fixed) like the mortgage, rent, insurance, car payment, student loan payment, etc. However, many expenses are variable – they don't happen every month. Items like vacation, Christmas, weddings, baby showers, graduations, weekend getaways, etc. If you do not plan your spending every month, you will not maximize the use of your money!

Let me give you a practical month. In the month of May, Jenn and I traveled to Atlanta. Then the next weekend, we traveled to seven states, 2000 miles, for two graduations (Jenn's sisters) and a wedding shower. The following weekend, we had another graduation – my twin graduating from medical school. Is that a typical month? I HOPE NOT! The "gifts" part of our budget for May is HUGE! Next month will be calmer in the gift category, but the vacation line item will be boosted.

Get the picture?

Every month is different. It only takes 15 minutes to tweak the budget and make it work fabulously well EVERY SINGLE MONTH!