

5 Pitfalls That Could Destroy Your Budget

. With all of the advantages that are associated with living on a personal budget it is no wonder that many people are beginning to implement this system into their own lives. For a great number of individuals the results over time have been nothing short of amazing. People are beginning to work their way out of debt while at the same time meeting their expenses, and placing money into savings. However, it is important to realize that there are potential pitfalls that may be encountered along the way. If people are aware of these hazards then they are far less likely to be negatively affected by them.

- . Credit Cards. These little pieces of plastic can often cause a great deal of temptation and trouble. It is not uncommon for a person to make an unwise purchase, which they would not otherwise make, because they had a credit card handy. The solution to this problem for many people is to get rid of their credit cards and begin paying by cash or check. Some prefer to keep one card for emergency situations but it is best to keep this out of reach, and not in their wallet or purse.
- . Impatience. Problems often arise when people set financial goals but do not have the patience to complete a savings program. For example, let's say that an individual begins setting money aside for a new car. However, after a couple of months they happen to find a car that they love, and instead of waiting, they go ahead and make the purchase. This could potentially create some serious financial strains. It takes real discipline to prevent impatience from breaking your budget.
- . Lack of adjustments. A budget is created using a set of expenses and income figures that are current at that time. As these figures change it is important that the budget is adjusted to reflect these changes. A failure to do so could lead to some major deficits.
- . Holidays. Unfortunately, many people do not consider holidays at the point that they are creating their budgets. As a result, a proper amount of money has not been set aside for presents, food, etc. These items should be factored in and saved for throughout the entire year.

Vacations. Many people accurately factor in the transportation and accommodations, but underestimate the amount of money needed for food and entertainment. Keep in mind that at any kind of "touristy" or resort destination, the prices can easily be 2 to 3 times what you would normally pay at home.