



**BUDGETING WORKSHOP
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**SPONSORED BY SYRACUSE UNIVERSITY
STUDENTS IN FREE ENTERPRISE (SIFE)**



TIPS ON BUDGETING

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The Credit Abuse Resistance Education (CARE) Program**

1. A Budget (call it a Spending and Savings Plan if that sounds better) is a comparison of your expenses to the funds from all the sources that you have available to pay them.
2. To create a realistic budget, the first thing you have to do is to keep track of everything you spend your money on. You need to do this for four to six months in order to catch periodic expenses and those little things you buy that you don't even realize you are spending your money on.
3. When you see what you have or want to spend your money on, you will see whether you need to cut expenses or increase income to balance your budget.
4. Your budget will help you focus on Wants vs. Needs by showing you what your are spending your money on. Then you can identify, if you are honest, whether they are wants or needs. In our hyper-consumption, ultra-convenience oriented society, the line is often blurred.
5. If you need to cut expenses to balance your budget, you will have a clearer picture of what categories of expenses you can eliminate or reduce (how often do you really need to eat out; can you cut up your own fruit and save big money instead of buying the pre-cut fruit - convenience is great, but you pay for it). A penny saved is still a penny earned. We all have spending weaknesses. A budget will help you find yours.
6. If you don't have any excess funds after necessary expenses, you can't make "want" purchases and you can't borrow money because you can't pay the debt back.
7. A budget which doesn't include a savings component (where you pay yourself first) is not a budget that will help get you to a sound financial plan. At a minimum, you need an emergency savings account.
8. A budget should always include reasonably anticipated expenses (for example, car repairs if you are driving an older car).