

15 Practical Budgeting Tips

10 MINUTE READ | AUGUST 26, 2021



It's the dreaded B-word—*budgeting*.

Unfortunately, the word *budget* has gotten a bad rap. When it all boils down, a budget is just a plan for your money. Budgeting means you're spending with purpose *before* the month begins. Unfortunately, many people view a budget as a straitjacket that will keep them from doing what they want.

But that couldn't be further from the truth! *A budget doesn't limit your freedom—it gives you freedom!* It's really all about being intentional with where your money goes.

How Can Budgeting Help Me?

A budget is going to give you an action plan and clear picture of where your money is ending up each month. Budgeting will help you achieve the goals you're working toward—whether that's getting out of debt, saving for retirement, or just trying to keep your grocery bill from getting out of hand.

When you see planning a budget as simply spending your money intentionally, you can actually find more freedom to spend! Once something has been budgeted for, you'll be able to spend that money without feeling guilty. Many people even say they find "extra" money after they create a realistic budget and stick with it. How amazing is that?

15 Budgeting Tips for Your Daily Life

Ready to get started? Here are the top 15 budgeting tips!

1. Budget to zero before the month begins.

This means before the month even starts, you're making a plan and giving every dollar a name.

It's called a [zero-based budget](#). Now that doesn't mean you have zero dollars in your bank account. It just means your income minus all your expenses equals zero.

2. Do the budget together.

If you're married, sit down once a month and have a [family budgeting night](#). Make it fun! Grab some of your favorite snacks and put on a good playlist to help you focus.



[Start budgeting with EveryDollar today!](#)

You need to get on the same page with money, so set goals together and dream about what the future will look like. Remember: If the two of you are one, your bank accounts should be one too! It's no longer *your* money or *my* money—it's *our* money.

And if you're single, find someone who can act as your accountability partner and help you stick to your goals!

3. Remember that every month is different.

Some months you'll have to budget for things like back-to-school supplies or routine car maintenance. Other months you'll be saving for things like vacations, birthdays and holidays. Regardless of the occasion, make sure you prepare for those expenses in the budget. Keep those special occasions from sneaking up on you by pulling up your calendar *while* you're creating your budget. (Hint: Christmas is in December again this year, guys!)

Be sure to adjust your budget each month as things change. Make a savings fund you can stash cash in throughout the year. When you don't have a plan, you're going to be stressed. And that takes all the fun out of giving and celebrating. No one wants that!

4. Start with the most important categories first.

Giving and saving are at the top of the list, and then comes the Four Walls: food, utilities, shelter and transportation. Once your *true* necessities are taken care of, you can fill in the rest of the categories in your budget.

5. Pay off your debt.

If you have debt, paying it off needs to be a top priority. Use the [debt snowball method](#) and the [7 Baby Steps](#) to get rid of debt as fast as you can. Attack it! Get mad at it! Stop letting debt rob you of the very thing that helps you win with money—your income.

6. Don't be afraid to trim the budget.

Brace yourself! It might be time for some budget cuts in your life. If things are tight right now, you can save money quickly by canceling your cable, dining out less, and shopping at discount clothing and [grocery stores](#). Remember, your budget cuts are only temporary. You can always make adjustments later on.

7. Make a schedule (and stick to it).

While you're making a budget part of your monthly routine, why not pick specific dates for other expenses? You could set up auto drafts out of your checking account to pay your bills. Or you could buy your groceries on a set day every week or twice a month. When you know what to expect and when to expect it, you take a lot of stress and potential problems out of the picture.

8. Track your progress.

It's important to check your progress from time to time. If you're married, get together and talk about your [goals](#). If not, find someone to check in with. Talk about how budgeting is helping you

move forward. Think about how you can tighten spending or maybe even pick up extra income so you can get to those goals faster. And don't forget to celebrate the small wins.

9. Create a buffer in your budget.

Put a small amount of money aside for unexpected expenses throughout the month. Label this as your miscellaneous category in your budget. That way when something comes up, you can cover it without taking away money you've already put somewhere else. Keep track of expenses that frequently end up in this category. Eventually, you might even want to promote them to a permanent spot in your budget.

10. Cut up your credit cards.

If you're really committed to sticking to a budget and getting out of debt, you need to ditch those credit cards for good. Stop using them! Cut them up, shred them, or even make a craft project out of them! Whatever you do, get them out of your life.

Having no credit card debt will mean no more minimum payments to add to the budget, zero hassle with fees or high interest rates, and much less stress and worry. Stick to using your debit card (and even cash!) and dump those credit cards like your ninth-grade fling. You know what the great thing about a debit card is? The money comes straight out of your bank account! There's no middleman charging you 15% interest.

11. Use cash for certain budget categories that trip you up.

If you're constantly overspending on your grocery budget or fun money, cash out those categories and use the [envelope system](#) to hold you accountable. Just go to the bank and pull out

the cash amount you've budgeted for that category. Once the cash runs out, stop spending! It's the ultimate accountability partner.

12. Try an online budget tool.

If pen and paper (or spreadsheets) aren't your thing, it's time to join the 21st century and use a budgeting tool like [EveryDollar](#). You can focus on planning a budget and tracking your spending from the comfort of your smartphone! Plus, you can sync up your budget with your spouse, which is great for keeping that communication open.

13. Be content and quit the comparisons.

You have much more than you realize. Don't compare your situation to anyone else's. Comparison will not only rob you of your joy but also your paycheck. Keep moving forward and doing what's right for *your* family.

14. Have goals.

Whether you're paying off student loans, [building up your emergency fund](#), or paying off your mortgage, you need to focus on your *why*. What's the reason you're making these sacrifices?

15. Give yourself lots of grace.

It usually takes three to four months to get a handle on this whole budgeting thing. It won't be perfect the first time or the second. But you'll get there!

Budgeting Tip for Inconsistent Income

Good news, guys. You can budget with an inconsistent or irregular income. A good rule of thumb is to budget based on what a low-earning month would look like for you. This will be your budgeting income. Here's how it works:

- **List the things you'd put in your budget.** Include things like giving, saving, the Four Walls, etc.
- **Prioritize your list.** Ask yourself, *If we had a horrible month and only had enough money to do one thing on this list, what would it be?* Put a *1* next to that item.
- **Keep going.** List your second priority with a *2* and go on through your budget that way, marking items by importance. Remember, necessities always come first.

Using this method will not only make your budget work for you, but it will show you exactly where your money is going.

How to Make a Budget

Before we finish up, let's talk through how to make a budget in just five steps.

Budget Step 1: List your income.

Start by listing the money you plan on getting during that month: normal paychecks (for you and your spouse) and anything extra from a garage sale, freelance job or [side hustle](#).

Budget Step 2: List your expenses.

Next, list out your expenses, starting with the Four Walls I talked about in Tip 4. (That's food, utilities, shelter and transportation.) Then list out all the other monthly expenses. We're talking debt, insurance, savings, entertainment and any personal spending.

Budget Step 3: Subtract your expenses from your income.

This is where that zero-based budget that I mentioned earlier comes in. But what happens if you do that math and have extra left over?

Don't just leave it, or you'll spend it here and there without even thinking! Give it a job by putting it toward the Baby Step you're on!

What if you get a negative number? Hey—it'll be okay. But you will need to cut back on the extras or pick up extra work to cover it. Just make sure that picking up extra work never means blowing that money. Put it to work to make your budget work!

P.S. Remember [EveryDollar](#)? Well, it does this math for you. Yep. You're welcome!

Budget Step 4: Track your transactions.

Can I let you in on a little secret? The way you'll really win with budgeting is to track your transactions. That means you put every expense and every bit of income into your budget all month long.

This helps you stay accountable to yourself, your spouse (if you're married), and your money!

You aren't hiding spending from anyone. And you won't overspend because you'll know what's left in every budget line.

Budget Step 5: Make a new budget before the month begins.

I know I already mentioned this, but I'm repeating it here because it's the final step in your budgeting process.

And it's worth repeating, honestly, because it's so important. This is when you get ready for everything coming your way next month, you guys. Make a new budget—every single month.

How Can I Make a Budget Quickly?

If you're still in debt and haven't saved an emergency fund yet, you're in [Baby Step 1](#). That means your goal for this step of your money journey is to save, save, save! I created a [budgeting guide specifically for you here](#).

Wherever you are in your financial journey, the quickest way to do a budget is by using our free budgeting tool I keep mentioning. With [EveryDollar](#), you can map out next month's budget in as little as 10 minutes!

Streamline the process even more using our premium version—exclusively available in a [Ramsey+ membership](#)—which connects to your bank account so transactions stream right in! You'll never miss a transaction and you'll save time logging them all in.

When you realize the purpose of budgeting isn't to limit your freedom but to give you freedom, you'll be on the road to loving your life and your bank account! That's what we call winning with money.

Make Your Money Work for YOU!

EveryDollar is the best way to budget—and it's included in Ramsey+! Start your free trial today and get instant access to EveryDollar, Financial Peace University, and so much more.

[Try It Free!](#)



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Rachel Cruze is a two-time #1 national bestselling author, financial expert and host of *The Rachel Cruze Show*. She has appeared on *Good Morning America*, *Today* and *Live With Kelly & Ryan*, among others. Since 2010, Rachel has served at Ramsey Solutions, where she teaches people how to avoid debt, save money, budget and win with money at any stage in life. [Learn More.](#)