

Why Budget?



Financial
Coach Dan

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The word budget or budgeting can cause many different feelings. For some, a budget can be scary. You are afraid what you might find when you put pencil to paper. Some feel restricted or deprived when they think about budgeting, like being on a diet. They imagine that they will not be able to buy the things they want or do the things they want to do.

For others, budgeting provides a sense of power. They feel in control when they determine how they will spend the money that they make before receiving it. Others feel a sense of peace because they know that everything is covered.

I personally remember the frustration I felt when I didn't feel like I was in control of our finances.



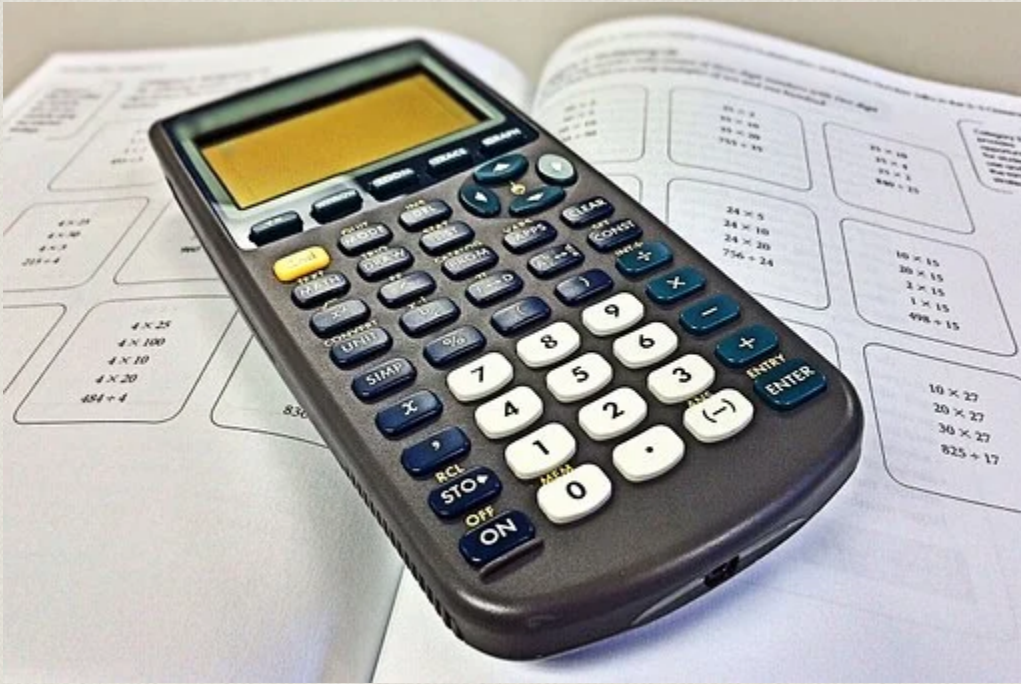
Have you ever gone to the ATM and found out you had less money in your account than you thought? How did that make you feel? Frustrated? Embarrassed? Angry?

When you have a plan, you can avoid these feelings moving from frustrated to empowered, embarrassed to peaceful and angry to content.

The plan is a budget.

There are several different ways that having control of your finances can impact your life. Let's take a look at four of them.

Financial Impact



The most obvious, of course, is the financial impact. When you thoughtfully prepare a budget and stick to it you, will not only have more control over your money, you will most likely find that you are in better shape than you imagined.

People will say that they do not have enough to go around even though they cannot say where their money is going. Let me give you an example.

Every time the price of gas suddenly rises, news stories air with people saying something to the affect of “I don’t know how we are going to be able to go on vacation this summer with gas prices so high.” Quick math shows that even a rise of \$1.00 in the price of a gallon of gas does not significantly raise the price of a vacation.

20 gallon gas tank at 15 miles per gallon = 300 miles

\$20 additional for every 300 miles driven

If we are going from our house to Orlando, Florida, which is 488 miles away, we would expect to pay an additional \$67 +/- for gas. While I don’t want to pay the additional money, if I have a plan for my vacation spend, I can certainly adjust.

Having a plan reduces uncertainty and surprises.

Family Impact



Lessening stress by having a plan and working it allows you to focus on the more important aspects of your life.

As an example, if you are a parent, you know the focus it takes to truly be there for your children every day. It has been stressful for many to get their children through the on-line learning situation caused by COVID-19 and to meet all their other obligations. You've probably thought, like many people, about how much less stressful it will be when our children can go back to school. The same can be true for removing the stress of financial uncertainty from our lives.

Having a plan allows you to focus on other aspects of your life.

Relational Impact



Budgeting with your spouse, or partner, creates buy-in for both parties and common goals to work towards, and often strengthens the relationship.

How is that you ask?

To budget together requires communication. You discuss your wants and vice versa. The basic needs of a budget are pretty easy to agree on. You pay the car note or you lose the car. You pay for food or you starve. You pay the electricity bill or the lights go out and so on.

Discussion generally revolves around what each other wants. I may want a GPS enabled watch so when I run I can track mileage, pace, calories, elevation, etc. My spouse may love to paint, so she would want to buy paint, canvases, brushes and all the other things painters use. We will both value some things equally, like our children's activities or saving for their post high school education. While we discuss these things, we are communicating what is important to each other.

One word of caution. The first several times you budget together can be difficult and may even lead to frustration or anger. The good news is, as you become more experienced with these budgeting sessions, they become less time consuming and less stressful.

It's important to go into budgeting sessions with the purpose of both sides winning and you will grow together.

Creating a plan together can help strengthen your relationship.

Emotional Impact



Lessening stress and creating a safety net reduces some of life's greatest worries. It is no wonder that money fights are the #1 reason for divorce in the United States. Financial instability can cause some of the worst emotions we experience. Fear, uncertainty, doubt and anger can weigh heavily on us. These emotions can even overpower us.

On the other hand, the feelings of security, contentment, gratitude and peace are just as powerful. These positive emotions allow us to deepen our relationships and focus on what we value most.

Having a plan creates positive emotions.

The positive emotions created through the process of budgeting and establishing financial stability allow you to focus your attention on the areas of your life that are most important.

My wish for you is that you will have a financial peace that allows you to grow your relationships, focus on what you value most, and live the life that you envision for yourself and your loved ones.

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About the Author

Dan Patton established Financial Coach Dan LLC in 2019 with a mission **“To educate and empower people to effectively plan their finances, ensuring a future worthy of a lifetime of hard work.”** A graduate of Dave Ramsey’s Financial Coach Master Training course and self-confessed personal finance nerd, Dan believes that we can all find financial peace and prosperity. You can reach Coach Dan through his website www.financialcoachdan.com, by email coachdan@financialcoachdan.com or on his Facebook page <https://www.facebook.com/financialcoachdan>

