

Working Mother

Collector's Edition

EVERYONE NEEDS A BUDGET. YET IN A RECENT survey of 979 WORKING MOTHER readers, 60 percent of the respondents said that they do not have one. Why not?

Mention the B-word and you may automatically think self-denial. But a budget is more than an "I shall not spend" list. It is, in fact, a powerful tool. A budget can help you recapture the money that slips through your fingers. It can help you distinguish between what you want and what you simply spend money on. It can help you define your financial goals, as in "I want to get out of debt" or "I want to retire early." It can help you devise a practical strategy for attaining those goals. Mostly, a budget can put you in control.

"A budget is basically a game plan that will help you spend your money on the things you really want or really need," says Judy Lawrence, president of Common Cent\$ Budget Consulting in Albuquerque, New Mexico, and author of *The Budget Kit* and *The Money Tracker* (Dearborn Financial Publishing).

Donna Waugh and Morgan Roth do not have budgets. Both of these working mothers know they should be smarter spenders and savers, but like many people, they didn't know how to get budget-wise. "We spend everything we earn," Waugh, a 32-year-old consultant and mother of two from North Attleboro, Massachusetts, ad-

mits somewhat sheepishly. "We just don't seem to have any money left over at the end of the month."

Whenever Roth, a 31-year-old public affairs director and single mother of one daughter in Princeton, New Jersey, has attempted to set up a budget, her good intentions always foundered because she set unrealistic budgeting goals. "As far as disposable income goes, forget it," she says. "I need some help."

WORKING MOTHER decided to offer some assistance. We teamed each woman with a financial planner who reviewed her money situation, helped her draft a workable budget and guided her through the common pitfalls that can derail even the most conscientious budgeters. You'll learn the eight steps that helped Waugh and Roth set up a budget—and stick to it. These tactics can work for you too.

1. Figure out where your money goes. To set up a practical budget you must first understand where you spend your money. Obviously, some expenses are easier to track than others. Expenses such as the car and mortgage payments don't change from one month to the next. It's generally easy to keep tabs on these costs because they're "fixed." In some cases, you can even reduce them, says Ellen Rogin, a Certified Financial Planner and the president of her own firm, Strategic Financial Designs, in Northfield, Illinois. For instance, you might shop around

WHERE DOES YOUR

money

WORRIED THAT YOU'RE FRITTERING AWAY YOUR CASH? A GOOD BUDGET PUTS YOU IN CONTROL—AND CAN ACTUALLY LIBERATE YOU
by Barbara Hetzer

go?