

Debt Management Part Two: Budgeting

In part one of these articles on debt management we looked at managing your money and ways of avoiding those unpaid debts from piling up. In that article we briefly talked about budgeting and indicated that it was an important part of our [debt management strategy](#). In part two we will look at budgeting in some more detail and show how it can really help.

Budgeting is a strategy to save your valuable cash. A personal budget should be as detailed as possible statement of all your income and outgoings no matter how trivial. It is important that you do not leave anything out. If you use a spreadsheet programme such as Microsoft Excel, then this is as good a tool as any in order to help you draw up a budget. You should start at the top with some rows showing all your income from your wages, bank interest received, benefit payments, pensions or any other source. You should then use the next rows for detailing all your monthly expenditure.

Sometimes it is difficult to remember all your outgoings, and it is often a good idea to get out all your bank statements and credit card statements for a reasonable time period, say for the last twelve months and from these you should be able to work out exactly where your money is going.

If you do not wish to use a spreadsheet there are some budget calculators that are available online. These can be considerably helpful and will often break expenditure down into a number of categories that will make it easier to remember and enter specific payments that might occur over a longer timeframe than a month.

The difference between the figures you calculate for income and expenditure will quickly indicate whether or not you have a problem. If your expenditure exceeds your income you will need to take some serious measures to bring them back in line.

First see if there is any way of increasing your income, such as doing a few hours overtime now and again. Then look at ways of reducing your costs by cutting back on a few non-essentials. If you can achieve this, then you have a manageable plan. If after implementing this regime you still have problems, you should read the third part of this series of articles that concerns ways of dealing with debt.

About the Author

The best way of dealing with [debt consolidation](#) I found was to do overtime, or work 2 jobs if possible. Claim back as much expenses you're entitled to, buy cheaper long life multi-pack foods, walk instead of driving, reduce entertainment costs, etc. brainstorming a few ideas and to [get debt advice](#) can make a significant difference if you stick to your strategy.

Source: <http://articlelistings.com>