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## Abstract

The paper looks at the right techniques to make a budget for your savings and identify the problems that exist. It is essential to avoid making the wrong assumptions about a budget and look for better alternatives by regular tracing and monitoring. It is essential learn how to establish a budget that will not only maximize savings, but keep you right on the track for long term goals.

## Introduction

We are all living amidst uncertain economic times and most families are always looking for ways and means on how to maximize their savings.  However, most of us rarely succeed in doping so and by the end of the month; we find our wallet running out of juice and find it difficult to spread the finance till the next paycheck arrives. What we need is to plan and design a budget that actually works. This is a great tool that helps us keep more control over our finances and maximize our savings. Almost every family decides to get its financial affairs under control and every member believes that each must start saving. But, it is easier said than done and to everybody’s chagrin and anger, it really hurts them when they find the children's piggy banks dipped into to pay for some important bills (Carmody, 1997). Family harmony gets shattered and other family members stop making efforts and the debt rises.

## How to set up a successful and workable budget

Making a budget is easy and seems simple when we note down things on paper. We note down the inflow and outflow of cash and look for ways as to how to cut down on extra spending. Here are some guidelines on setting up a workable budget. Understand your cash flow and look at your total income and expenditures. Consider your pay cheque plus the interests you earn from investments, plus tax refunds and gifts, etc. Make room for unanticipated expenditures like an unexpected medical bill or home repair. Track all the income/expenses that have occurred in the past 6 months to get the bigger picture for the coming years. Once you understand the patterns of your inflow and outflow of cash, you will be able to forecast your monetary status better in the coming years (Welsh, 2012). This will help you make some good plans for your investments and improving your savings.

## Hindrances in creating a successful budget

Setting impractical goals is one of the most common issues faced when making budget and planning to save. If you are planning to cut down on unnecessary expenditures in your regular grocery spending and the entertainment, you have to decide realistically or you are setting yourself up for a failure. Start by making just 10% cut downs in the first few months till your family get accustomed to the new budget.  Most people plan for year-end savings and this is where they commit another mistake.  Make the budget workable by creating a weekly budget and you can get motivated by seeing some actual results. Break down your monthly budget into a weekly one to make a good start. Most families do not know how to allocate the budget into the right categories and they end up overspending in one area. Be very specific to your family and divide the weekly budget into different categories and stick to that budget. Some families might be big meat eater while others may be pure vegans (Saving on family food, 1931). Focus on the purpose rather than the percentages when dividing the budget and aim for a well-rounded selection of groceries every week, without overspending or wasting.
Another mistake we all make is to set a budget and then we feel too lazy to follow it or monitor the progress. Get a tracking process active and watch your day-to-day spending habits closely. This will help every family member determine as to which of their daily habits or temptations need to be curbed. This monitoring process will allow one to be sure that one is not wasting any cash.

## Conclusion

Budget planning has become very crucial for families interested in making real savings. After all, who would want their hard -earned cash getting wasted away and watch their bank accounts dwindle. Remember those specific goals you set for maximizing your family’s savings and measure your progress against a deadline. Aim for short-term goals but keep those long-term savings goals at the core of your savings plan and keep these funds the least liquid. Saving needs self-motivation and discipline along with the right planning to make some progress. Budget cuts can pinch and the benefits seem so far into the future. Just imagine never running out of cash and always having some funds handy for emergency cash. Saving takes constant maintenance, but the rewards are rich.

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