**[The Simple Way to Make a Budget](http://blog.smartdollar.com/blog/2015/5/14/the-simple-way-to-make-a-budget)**

Let’s get right to it! Here is a simple way to make a budget that works for you and your household.

Remember, it’s important to make a new budget for each month. Every time that calendar flips, there are new birthdays, holidays, insurance bills, proms and so on. **There is no one budget that is perfect all the time every time. So make a new budget for a new month.** *Related:* [*5 Budgeting Myths You May Be Falling For*](http://blog.smartdollar.com/blog/2015/4/23/5-budgeting-myths-you-may-be-falling-for)

**The Income Side**

On one side of the page, list your total monthly income.

If you are married, **do not separate your incomes.** It doesn’t matter if one of you nets $1,000 a month and the other brings home $10,000. You are now an $11,000 household.

**The Outgo Side**

**Every expense you have each month gets written down**. Rent, food, cable, phones and everything in between. Again, since you make a new spending plan each month, some months you’ll have certain expenses and others you won’t. Your gift budget might be high in December and low in April, or you might have car insurance due in June. Focus on one month at a time.

**Clear all the confusion.** If you are confused about how to categorize expenses (does a restaurant visit count as Food or Eating Out?), simply determine what system works best for you. When you have two categories that are obviously different (such as gas money and entertainment), you should separate them. But when you spend $100 at the grocery store buying food and things to run your household such as shampoo and paper towels, you might put that all under Grocery.

**Start Early**

Make your budget a couple of days before the month begins. That gives you the feeling of control—of being ahead of the game. People get dejected if it’s August 7 and they have not yet made August’s budget, so aim to have that done by July 29. **Don’t let the month sneak up on you without being prepared.**

When you make a purchase, write it down that day. Take 60 seconds when you get home from work to update the budget. Opening a wallet or purse to find a week’s worth of receipts in there is a quick way to get discouraged. Be vigilant and do this small amount of work every day.

**All Signs Point to Zero**

The point of a budget is to make income and outgo equal zero. They cancel each other out. If you cover all your expenses during the month and have $500 left over, you aren’t done with the budget yet. You must tell that 500 bucks where to go. If you don’t, you lose the chance to make it help you get out of debt, save for an emergency, invest, pay off the house, or grow wealth. Make your money work for you. **Tell every dollar where to go**.

*Have your budget ready to go? Make sure you look out for* [*these four everyday expenses that may be costing you a fortune.*](http://blog.smartdollar.com/blog/2015/4/23/4-everyday-expenses-that-are-costing-you-a-fortune)