

Subject: Best Budgeting Practices

Inflation. This term is omnipresent in the news and across social media, evolving into a buzzword of sorts in recent months. Everyone seems to be feeling the direct effects of rampant inflation, making normal household expenses like rent and groceries seem suddenly unmanageable. One unexpected charge can throw your finances into turmoil. We've all been there, and none of us want to experience that awful, pit-in-your-stomach feeling again. Now more than ever, good budgeting is vital to staying financially stable in an unstable economy.

Today, I want to share with you some budgeting practices that will enable you to take control of your money. No more worrying about how you're going to pay the bills this month or cover an emergency expense. With these budgeting strategies, you'll be equipped to handle anything life throws at you. Rather than being constantly stressed about the present, you can begin investing in the future.

Strategy Number One: Use the Envelope Method

This budgeting system harkens back to the days when allocating income meant stuffing cash in various envelopes labeled with expenses. This may no longer be the norm, but the principles of the envelope method can be seamlessly applied to the world of direct deposit and online banking. Use an app or spreadsheet to budget a specific amount of money for each expense at the beginning of the month. Throughout the month, you may only spend money in a given category up to the amount budgeted in that category's 'envelope.' If you have leftover funds in any of your envelopes at the end of the month, you may roll those funds over to the next month or transfer them elsewhere. Be sure to include space in your budget for savings, and consider transferring leftover funds to this category!

Strategy Number Two: Create an Emergency Fund

This tip is extremely important, as it will protect you from the panic and stress of unexpected expenses. Before allocating money to investments or long-term savings, create an emergency fund and store it in an account you can easily access in a pinch. Start small, and work towards having several months of expenses saved, to safeguard you against an unexpected loss of income.

Strategy Number Three: Target Toxic Debt

Most of us have debt of some sort, and many of us have various types of debt. It's easy to let these outstanding dues overwhelm us, but debt doesn't have to be scary. Develop a proactive plan to tackle your debt, starting with *toxic debt*. This refers to revolving debts with a high-interest rate that can be detrimental to your finances the longer you continue to owe a balance. Target these debts first, allocating any available funds in order to eliminate your debts one by one.

These budgeting practices will allow you to survive the storm of inflation and stay on top of your money, even in today's unpredictable economy. Good luck and happy budgeting!