

Latino Lubbock Magazine: Creating Your Financial Plan

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“Most people don’t plan to fail, they fail to plan.” [Quote by John L. Beckley] Your financial life is no different. You must have a spending plan or else you will fail. Tell every dollar you receive what to do. The first time takes only 30 minutes. After overcoming the learning curve, it should take only 10 minutes.

First, write this month’s household income on a piece of paper. Before you do anything with your money, you must pay yourself first. Consider your financial future as a bill. So write down 10% of your income; that will be your emergency savings. Underneath, write the amount to save for your New Year’s goal every month.

Second, budget your tithes, mortgage/rent, bills, and groceries. Then budget all lifestyle expenses: anything that’s nice to have but you could do without. In this step, refer to your spending diary and bill payment tracker.

Third, total your savings and expenses. Does the total equal your household income exactly? If yes, you’re good. If not, adjust your expenses until it does. Consider canceling your cable and gym membership. Try switching cell phone providers and auto insurance companies.

You will do this every month for the rest of your life. Your future is in your hands.

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