



# Extension News Column

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*University of Alaska Fairbanks, Cooperative Extension Service, [www.uaf.edu/ces/](http://www.uaf.edu/ces/)  
[fycit@uaf.edu](mailto:fycit@uaf.edu), 907-474-5211, FAX 907-474-6885*

**Contact:** Debbie Carter, information officer, 907-474-5406, [dscarter@alaska.edu](mailto:dscarter@alaska.edu)

**Author:** Roxie Rodgers Dinstel, Tanana District Extension Faculty, HHFD

## Busting the budget

We all know the importance of creating a budget. But many of us fail in the follow through. It all looks good on paper, but when it comes to following the budget, we can't do it. So why do budgets fail? Here are the most common reasons for budget failure.

- A bad attitude. Maybe you are mad at the circumstances that have gotten you to this point. Many of us resent the fact that we have to pinch pennies, so we fail as we try to follow that new budget. You have been put in a situation where you have to limit your spending and you plan (subconsciously) to fight these changes no matter what. This is particularly the case when someone else has "put you on a budget." Fight the urge to break the budget out of spite. Be careful that your attitude does not sabotage your efforts to realign your expenses and your income.
- Motivation. Many people fail to ask themselves the "why" behind their need to change their spending. If you don't recognize why this is necessary, then you are doomed to fail. Whether it is a short fall of money at the current time, or a realignment to allow for saving for retirement or for children's expenses (such as college), recognize the importance of following the budget. Do whatever you can to motivate yourself to make a plan and stick to it to ensure you remain on financially secure ground.
- Expectations. Budgeting is not a quick fix. It is a permanent way of thinking about the way you spend your money. Budgeting is not a sprint, but an endurance race. Make reasonable expectations and live up to them.
- Contentment. It is no coincidence that those with enough money to meet their basic needs, but not enough to overindulge in frivolousness are less stressed, and often more content than those with more disposable income. They have learned that things do not equal happiness. Do not confuse your own happiness with your ability to buy things.
- An inability to cut the excess. Too often, we believe that the extras of life are necessities. Learn to tell the difference between the needs and wants in your life. The luxury vacation or the new luxury car may be nice, but you won't perish without them. Put your money on the things that are necessary to your family's well being, not those things that are unnecessary.
- Never substituting. Are you too good to stay at a low-end hotel, drive a used car, or use a generic medication? Realize when it is important to go high end and when the lower end is just fine. Accept those things that are just okay, if it isn't of earth shattering importance to you.

- Paying full price. Eventually everything goes on sale. Waiting for the markdown can save you as much as 50% on those items you must buy. By simply waiting until things go on sale, you will get more for your money.

Budgeting isn't sexy. We love to watch the television shows and movies where the hero can spend whatever he wants and it never seems to have financial consequences. Most of us don't live in that world, though we'd all like to. Remember that knowing where your money has gone and making conscious decisions on where it should go, is the best revenge. You'll have money over the long haul, not just for today