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## BUDGETING

# 7 Budgeting Mistakes and How to Easily Overcome Them



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Few things are worse than that feeling when you realize too late that you have more money going out and not nearly enough coming in. Maybe you have an unexpected bill to pay, or maybe it's something else. You check your bank account only to discover insufficient money to cover the bill.

Worse yet are those darn overdraft fees the bank has so graciously bestowed upon you when you've made budgeting mistakes that leave you in the red.

What a mess! Budgeting mistakes happen to everyone. However, you can overcome this with improved budgeting know-how, beginning with the top seven budgeting mistakes. Knowing what to avoid places you one step ahead of the next gal.

## Budgeting Mistakes

You work hard for your money, but budgeting mistakes can quickly derail your efforts leading to financial stress. While everyone manages their money differently, there are several common mistakes that many women make, and all are easily avoidable. So, let's go over each and how to overcome them.

### ***Not Having a Budget***

Not having a budget is one of the top mistakes. The funny thing is that a whopping **73% of Americans** don't have a budget. Say what?

It's easy to overspend and sink your bank account into the negative before you realize what's happening. When this happens, some people fall back on their **credit cards** while others might turn to – *cringe* – expensive payday loans. But if you're struggling to manage your money as it is, this only worsens the problem, and before you know it, you're in even more debt than before.

### ***Forgetting to Budget Expenses***

Tracking all spending is crucial, especially when you're new to budgeting. For example, although that daily \$6 latte at the coffee shop might seem insignificant, doing this five days per week over four weeks a month will quickly add up to an extra \$120 each month ... just for coffee. You can avoid many breaking your budget by tracking all spending, big or small.

### ***Guessing or Estimating***

Both estimating your expenses will quickly lead to a surprise, but certainly not good. You wind up with too many months and not enough money to cover everything. Instead of estimating, form a habit of continuously tracking your income and expenses as the exact amounts they are.

## ***Forgetting to Include Your Partner***

Couples who work together on reaching financial goals are more successful than when one partner goes it alone. So, talk to your partner. Then, determine a compromise on a budget that works for both of you and work the plan together.

## ***Being Too Lenient or Restrictive***

It's essential to remain flexible with your budget. After all, unplanned events, occasions, and expenses happen, and you must adjust your spending when they do.

A less lenient budget is like spending as you go; this can lead to overspending and not saving nearly enough.

Alternatively, too restrictive of a budget is reminiscent of a restrictive diet. It works for a while, but then it gets old and falls to the wayside.

Look for a happy medium; remember, sticking to a budget doesn't mean you can't enjoy an occasional splurge.

## ***Not budgeting for Entertainment***

We all like having fun, getting our hair or nails done, dining out, seeing a movie, etc. However, not budgeting for planned fun can quickly lead to burnout. However, plan your entertainment by budgeting for it. Not only will this help you and your partner maintain your sanity, but you'll be more likely to stick to your budget and get your finances on track.

## ***Not Budgeting for Savings***

Finally, you've got to [budget for savings](#) because this is one area, we tend to forget more than most. One common thread is to wait until everything is paid, the shopping is done, etc. Then, if anything is left, that's what goes into savings. However, it'll take forever to build your savings account this way.

Instead, plan your monthly savings goal into your budget. This way, it's already designated – you're telling your money what to do, not the other way around.

## Create a Reasonable Budget

Despite the different budgeting pitfalls, it's critical to create a budget you can live with – one that fits your lifestyle and needs, such as food, [clothing](#), healthcare, travel, and entertainment.

You're less likely to stick to your budget if you leave no room for fun and lifestyle obligations.

## Choose a Budgeting Tool

Budgeting is a way to tell your money where to go. Budgeting can be as simple as jotting down all your monthly expenses and assigning your income to each “bucket.” If you do this at the start of the month, you'll have a plan to follow.

Suppose pen and paper aren't your things. In that case, gobs of great budgeting apps are available at your fingertips, like the one in the She Banks [mobile app](#) available on Google Play or the Apple Store.

## Final Word on Budgeting Mistakes

Remember, budgeting allows you to take control of your money and spending habits. It's a tool to empower you. It will help you see where and how much you spend so you can adjust when and where needed. Avoiding budgeting mistakes and creating a plan that works for you can help you achieve your financial goals, save more money, and even get out of debt.

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