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What is the importance of a budget or financial plan?

Most of us want similar things in life. Being financially secure is almost always on that list. Financial security doesn't necessarily mean wealth. It may mean that we simply understand our income and expenses. We meet our debt and expense obligations. We save. We are prepared for emergencies. We plan for the future.

We naturally budget things without even knowing it. How much time do I have to get to the store before it closes? Do I need to get fuel now, or can I make it to work? I think I've got enough eggs for breakfast today AND tomorrow. It's instinctual most of the time and we're usually pretty good at it. Budgeting our income and expenses, however, often requires a little more structure. The expenses of day to day life are ever changing and often increasing. Most of us don't have an accountant in the household, so managing our finances is up to us.

Successful businesses rely on cash flow to remain in operation. So do households. Businesses use forms like balance sheets, cash flow statements and income statements to analyze their cash flows and manage to a goal. These are budgeting tools for businesses. For consumers, a written budget is often the best tool for us to understand our resources so we can manage our finances toward our financial goals, often starting with a level of security. If you're interested in getting help working up a budget and plan for your family, stop in and visit today with one of our Certified Financial Counselors and make sure you'll have plenty of eggs in your basket tomorrow!