

# What is Money?

Money is a medium of exchange. Without money we would have to barter for everything.

Money is what it takes to provide for yourself and your family.

Food	Transportation
Shelter	Medical and Dental care
Clothing	Education
Communication	Maintenance
Utilities	Savings

Money can also be used for:

Entertainment	Loans
Eating out	Pets
Donations / Gifts	Cigarettes, candy, etc

Having enough money removes a lot of fear. Fear that a bill collector is calling, or fear that the only mail you receive is junk mail or bills. Having enough money also gives you the freedom to do more of what you want or need to do.

# What is a Budget?

A budget is an allocation of money so that we make the best use of it.

A budget is not required until you run out of money like when you have an unexpected expense that you can not pay for or you are spending more money than you are earning.

A budget should always include some for savings so that you can pay for an unexpected expense without having to borrow money. Paying interest is not a good way to make best use of your money.

The first step in defining a budget is to determine what your income and expenses are. Many people do not really know how they spend their money. This may take up to 3 months of accounting for every expense to discover how you are spending your money. How can you fix a problem if you do not know what it is?