

INVEST IN YOU: READY. SET. GROW.

# Did you blow your budget? Here's how to get back on track



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It happens to the best of us — after setting a budget, somehow spending goes off the rails.

“It’s so easy to do,” said certified financial planner [Diahann Lassus](#), managing principal at Peapack Private Wealth Management, based in New Providence, New Jersey.

The coronavirus pandemic, economic recession and subsequent recovery have likely played a role in increased spending. Americans are still getting used to a new pandemic normal that’s brought with it shifting restrictions, higher prices in the form of inflation and a return to some activities, such as travel, dining out and live entertainment.

Here's how to get back on track.

First and foremost, financial experts say to be kind to yourself if you have an off month and use it as a data point to make a better budget in the future.

“None of us are perfect; whether you're a financial advisor or a home decorator, we all have the same challenges,” Lassus said. “Even though we might know exactly what we need to do, that doesn't mean we're always going to do it.”

If you're new to budgeting, you're probably not going to get it right on the first try, said Tania Brown, a CFP and coach at SaverLife, a nonprofit focused on helping low-income Americans save. That's because even the most detail-oriented people tend to overlook some aspect of their life and spending when they first set out to create a budget.

## **Assess the damage**

A good rule of thumb when budgeting is to review your spending at the end of each month, to see if you were able to stay on track.

“Take the time to say what worked this month, what didn't and what you're going to do going forward,” Brown said.

If you overspent, look at what happened. Was overspending in a category that you forgot to include in your budget? Did an emergency crop up that you weren't prepared for?

Pinpointing the problem, or where you were off on your budget, will help you make a better plan going forward.

## **Revise your goals, then your budget**

Once you've identified where you went wrong, you will need to revise your budget.

In some instances, this will mean shifting spending categories and potentially changing some of your goals, or the timeline of meeting, according to Brown.

That might mean saving less for retirement to build up emergency savings or deciding to limit activities such as eating out so that you can put away more for a down payment on a house. If your spending meant you took on debt, you'll have to build paying it off into your future budget.

You may also realize that in the fall and winter months, you need to allocate more money to spending on things such as gifts and travel.

“The budget is always going to shift,” Brown said. “The longer you do it, the more you will naturally adjust.”

## Try, try again

An important part of budgeting successfully is consistently sticking to your spending plan. That means each month, you revise and try again.

Of course, some people will have trouble with their budget for more than one month in a row. That may signal that something else is going on, according to Brown.

You may have the wrong budgeting program or tool for you. If you haven't found a process that keeps you engaged in tracking your spending and saving, it will be harder to stick to your plan, said Brown.

“It's finding the right budget for you and it's like finding a prince — you might be kissing a lot of frogs along the way,” she said, adding that if this is the problem, you shouldn't be afraid to try something new.

## Recognize that you're human and you're a work in progress.

**Diahann Lassus**

MANAGING PRINCIPAL AT PEAPACK PRIVATE WEALTH MANAGEMENT

Others may be dealing with deeper issues than having the right budget, however. If you're consistently blowing your budget [due to emotional spending](#) and it's hindering your long-term goals or putting you in debt, you may want to consider working with a financial coach or [therapist](#).

A financial coach can help you with the basics of money management, said Frederick Standfield, a CFP and founder of Lifewater Wealth Management in Atlanta. And, if you're having emotional issues with money, a financial therapist will be able to help you work through those problems to get back on track.

Most importantly, financial experts say to not let one month of missing the mark on your budget discourage you from the overall process.

"Recognize that you're human and you're a work in progress," Lassus said. "You're going to just keep trying and you'll figure it out."

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