



globalloanhub

It's a great time to start planning



My Ebook

The best way to take control of your finances is to do a budget. This is a simple tool that helps you understand the money going in and out of your household.

A budget shows you if you are spending more or less than you can afford. It enables you to direct your money to where it matters most, so you can stay on top of bills and start putting money towards your future goals.

Here are our simple steps to prepare and use a budget.

Why do a budget?

Doing a budget helps you get off the treadmill of living from one pay packet or payment to the next. It enables you to sort out your money priorities and find the right balance between spending and saving.

A budget lets you pay off a credit card or loan, plan better for when your big bills are due, and save up for a holiday or big purchase.

Use our budget planner to plan where you want your money to go. Choose a time period for your budget that suits your lifestyle - for example, a week, a fortnight or a month.

It is helpful to look at the money going in and out across a whole year. Include regular payments such as your rent or home loan, phone and electricity, car or public transport.

Checking your bank statements, bills, credit card statements, receipts and shopping docketts will help you to work out all your expenses. Use your best guess if there's anything you can't find or if bill amounts vary across the year.

Add in all the money that you receive or are paid over the time period. This could include your pay from your full-time or part-time job, any casual work, your [pension](#), government benefits, child support payments and any money from investments. If your income is variable, make an estimate based on your past year's earnings.

When working out your money priorities, think about which items you need for your basic living expenses and which are extras or things you could maybe do without if you needed to save some money.

Using your budget

Print your completed [budget planner](#) and keep it somewhere safe. Before you go to the supermarket or other shops, check your budget to see how much you can spend and then stick to that amount.

You may even want to take a calculator with you to keep track of your spending on the go. It might make shopping take a little bit longer but you will be able to stay on top of exactly where your money is going.

If you are trying to save money, look at your budget and find ways to cut back on the extras. Try and budget a specific amount for fun, leisure and personal expenses but don't make your budget so tight that you won't be able to stick to it. Use the [savings plan](#) to keep you focused on your goals.

It's a good idea to redo your budget every 3 to 6 months to make sure it reflects your current income, spending and what you want to achieve. Once you are comfortable with using and sticking to a budget, you can update it less frequently, like once a year.

You will probably also want to refresh your budget when there are significant changes to your income or expenses, like getting or losing a job, buying or selling a car or house, the extra cost of expanding your family or managing illness.

If you have money left over (a surplus)

There are a lot of things you can do with any extra cash, including:

- Open a high interest [savings account](#)
- Look into [investing](#)
- Think about making [super contributions](#)

When you receive a pay rise, bonus, special payment or tax refund put the money straight into your savings account or superannuation to give it a boost. For more information see [getting a windfall](#).

If you're spending more than you can afford (a deficit)

This is not the end of the world but you do need to take action to fix this. Check your budget to make sure you've got all the amounts right and look at your expenses to see if there are any you could reduce. What could you cut out or cut back?

If you're still in the red or are finding it hard to work out what to cut, read the section on [managing debts](#). Or talk to a [financial counsellor](#) - they are free and can help you take control of your money.

Getting help with your budget

If you are on a low income or have never done a budget before, starting a budget may be pretty tough. You will find that it does get easier though. The first budget is the hardest but you will get better at it as you go along.

There are also people who can help you with budgeting such as [financial counsellors](#).

The following pages have lots of information and tips if:

- You are [leaving home](#)
- You are [having a baby](#)
- You have [lost your job](#)
- You are [over 55](#) and you're planning your retirement.

Budget and monitoring services

Beware of budget plans sold by high-pressure selling. You could end up paying \$5,000 or more for a 'budget' and a 'monitoring service' that the salespeople claim will help you pay off your loans faster. Unfortunately, these budgets can be totally unrealistic and involve all sorts of sacrifices that no-one could live with. The 'monitoring service' may also be a waste of money.

The best way to do a budget is to have a go yourself. If you can, get help from a trusted friend who is good with money.

*Budgeting is a skill that anyone can learn. The more you do it, the easier it will be to stay on top of your money.
Get started now by using our [budget planner](#).*



A 1

A 1

E 1 A