

NEW EDITION

BUDGETING

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• • • Introduction

Would you like to free up more cash to spend on yourself and your family rather than an endless procession of bills? There really is no secret to financial success, it only takes a bit of planning.

a budget is a simple financial plan that itemises individual or family spending and helps accomplish short-term and long-term goals. Its main purpose is to prevent you from landing in financial trouble and to help you control your financial future.

This booklet explains the basic principles of budgeting, and gives you clear information on:

- how you can benefit from budgeting
- controlling your spending
- making the most of your savings
- creating a budget that works for you

It also explains the importance of saving, and shows how you can develop a savings plan to meet your needs.

By the time you reach the end of this booklet, you will have the information you need to take control of your finances, save money, and plan for the future.



••• Saving can change your life!

Often our capacity to save is limited not only by our income but by the fact that we have made no firm plans to save.

Cast your mind back 5 or 10 years. It's unlikely your income was the same as it is today, but you were probably spending around the same proportion of it. As our

income grows, so does our capacity to spend.

So what are the benefits of saving? A slow and steady savings plan offers a variety of benefits. It allows you to feel secure about meeting your needs. And it makes it possible for you to achieve some of your wants as well.

Why save?

On a **day-to-day** level:

- having a reasonable balance in a savings account frees you up from the stress of living from one pay day to the next and gives a great sense of security
- in difficult times or in case of emergencies you can access savings instead of using high-interest credit cards

As you continue to set aside part of your income, and include saving as a part of your ongoing financial plan, your savings balances will grow and offer far-reaching benefits.

TIP

People with young families should aim to build up an emergency fund equal to 3 months take-home pay in case of retrenchment or emergencies.

In the **medium term**:

- a regular savings routine establishes a financial track record — essential when you apply for everything from a credit card, to a car or home loan
- you can reach those apparent ‘unreachable’ goals like an holiday, a computer for the kids, or a new car

In the **longer-term**, savings that are left untouched have the potential to improve your quality of life:

- savings can help supplement retirement income
- a portion of savings can be channelled into other longer-term investments like the share market and managed funds — investments that may provide extra household income and also grow over time (however, there is a risk involved in this type of savings)



Setting financial goals

Any successful savings plan needs to have a series of goals, not only to give you an idea of how much to save, but also to help you stay focused on the end result.

Without a strategy you may find yourself dipping into your savings to pay unexpected bills or, ironically, to reward yourself for being such a stringent saver.

With a series of goals in place you can easily monitor progress. After all, if you're not on track with saving for a holiday, chances are the long-term plan of, for example, upgrading to a new home will not progress well either.

By revisiting your savings plan regularly you can discover any saving strengths, and work on eliminating weaknesses.

Savings targets

Set yourself

a savings target.

Aim to save 10% of your gross annual income.

This breaks down to 5% for short-term goals and 5% for longer-term goals.

Where to keep your savings

You're thinking about a savings plan but you need to know where to set aside the funds? Here's a general guide to some of the most common saving avenues.

Savings accounts

There are a range of savings accounts available, including personal transaction accounts and cash management accounts.

While interest rates and conditions vary, these accounts generally offer a modest interest rate in exchange for immediate access to your funds.

Transaction accounts with a financial institution offer you a good starting point in the savings game because you can arrange to have funds automatically credited to an account, without having to transfer the money yourself. By setting up an automatic deduction every payday, for example, you are spared the temptation of skimming off your savings.

Cash management accounts are ideal for your more serious savings goals, offering higher interest rates. Provided you have a decent sized savings amount to deposit in the account, this is an effective place to set your money to work.

Special purpose savings accounts

Some accounts offer you special incentives to save and are designed to help meet savings goals.

Christmas Club accounts, for example, may pay a bonus interest rate if a regular savings pattern is kept until the end of the year. Other special accounts offer you bonus interest rates on a monthly basis if no withdrawals are made over the course of each month.

Term deposits

In exchange for interest rates higher than savings account rates, you cannot access the funds in a term deposit until the end of the term. Rates are fixed for the entire term of the deposit — which can be anywhere from 30 days to around 5 years — and you choose the term.

Term deposits are ideal for setting aside sizeable sums of cash, making your money work harder with competitive interest rates while locking the money away to resist temptation. Note: However there is a risk involved when unfixed rates rise higher than fixed.

Superannuation

This is one of the most popular savings options. If you are on a regular full-time wage some of your income is automatically channelled into a superannuation fund, with

your employer also adding a portion. Since you can't access the savings until retirement, superannuation offers you a good chance to secure your financial future. Setting aside some additional savings, on top of your super contributions, gives you even more stability in later years. Note: Retirement Savings Accounts (RSAs) are a new way to store your superannuation. They are designed to be easier to understand, portable and flexible.

Other investments

There are a range of other investments you can move some savings into — the share market, managed funds, property, bonds and debentures. The style of investment you choose depends on how much money you have to invest, what sort of returns you require (a monthly interest payment or a lump sum returned at the end of the investment's term) and how much security you need.

The share market, for example, can offer quite high returns over a period of time but you also run the risk of losing money on poor performing stock. Managed funds also have a good reputation for offering decent returns but you should shop around for a fund with a strong long-term track record and competitive administrative fees.

Compound interest —

the secret to saving more

The best path to wealth creation is a long-term savings plan, and the sooner you set up your plan the more savings you will accumulate. There is actually one secret to strong savings returns, one that many aren't aware of — compound interest. It is probably the only free and effortless strategy you can put into practice to boost savings.

Compound interest is interest earned on interest. So if you don't withdraw the interest that grows on your savings, that money will attract even more interest for you.

Over a number of years the compounding factor can have dramatic results.



TIP

The 10% rule

If you've never been a successful saver before, start off slowly. Leave committing to medium to longer-term goals for a while until you're confident a saving strategy is within your reach.

Set yourself one short-term goal — perhaps 3 months away — that requires only a small amount of cash.

Then set aside 10% of your income each week in a separate savings account.

At the end of 3 months, withdraw the cash to pay for your small goal — perhaps a weekend away or a new piece of clothing — and if there is any money left over make that the first instalment in your next savings goal.

CHECKLIST

What are my main reasons for saving?

- I would like financial security without the stress of stretching each pay packet.
- I will have a safeguard against unexpected illness, unemployment or emergencies.
- Buying a home and applying for credit is easier with a strong savings track record.
- I can enjoy more of the pleasures in life by saving.
- Retirement will be more enjoyable with the security of a nest egg...
- I want to be in control of my finances — not letting them control my life.



••• Why budget?

We'd all like to free up more cash for dinner with friends, for family holidays or trips to exotic destinations, or even to buy a new piece of furniture. A well designed budget will put these kinds of activities more within your reach.

How often do you dread reaching

into the letter box to find another bill? Or how many times are you financially 'caught short' just before payday? These experiences are not confined to households on lower incomes. Regardless of the size of the pay cheque, many of us tend to live slightly beyond our means.

The benefits of budgeting

By setting aside a few hours to draw up a firm but flexible budget, you can improve your cash flow.

By creating a snapshot of incomings and outgoings you can target areas where spending is out of control and also set a clear path for saving.

Don't view your budget as restrictive — taking the fun out of life — a successful budget can actually free up funds and help make the pleasures in life a lot easier to attain.

Setting personal goals

Setting a series of personal goals will help you stick to a long-term budget plan. Before any goal can be met, however, it must be clear why the goal is important and how you intend to achieve it. By listing your own set of needs and wants you can see at a glance the level of commitment you need.

Your personal goals are not set in concrete. They can be revisited at any time, but they serve as encouragement and incentive to continue budgeting.

Needs

Needs are the things you require to live a basically healthy life (for example, housing, food, clothing, transport, electricity, basic education etc).

Wants

Wants are the things you would like to have in order to improve your quality and enjoyment of life (for example, jewellery, eating out, holidays, fashionable clothes, a bigger house or car, etc).

There are a couple of interesting points you can quickly conclude from this table.

How long did you take to think about each entry? You probably took longer thinking about discretionary spending like entertainment than rent or bills. This suggests we have less control over social spending than other expenses, mainly because there is no set pattern. This could be an area to improve simply by setting aside a certain sum of money each week or month and aiming not to spend beyond that sum.

When do you rely more on credit? At a glance, the cash or credit column shows areas that may need more scrutiny. If you rely on paying rent on credit, for

example, but you find you don't have enough money left at the end of the month to pay off the credit card, then you need to reassess your spending habits.

Does your spending exceed your income? The final and most revealing entry will answer this. Most of us should come up with at least a small positive number — that is, the minimum you should be saving. But if you calculated a negative number, meaning you're spending more than you're making, now is a good time to pay close attention to budgeting hints. Remember, you should be aiming to save 10% of your gross income.

For even more information on budgeting go to The nuts and bolts of budgeting section of this booklet.



CHECKLIST

My personal goals

Create your own list of personal goals and put it up on the fridge or family noticeboard.

Here are some examples to start you off.

I really need

- to put aside an amount for the kids' education
- an emergency fund
- a nest egg on retirement
- financial security

I want

- an holiday
- a new set of clothes for next season
- a weekend away next month
- a new computer



••• **Breaking bad spending habits**

We're a nation of spenders, not savers.

While most of us would like to save more, it's all too common for an unexpected bill to turn up which hasn't been budgeted for, or for the spending urge to overtake us at a department store. Controlling spending is one of the first steps in creating a successful budget.

Take a look at your levels of spending. In fact, take a good look. It may not be pleasant, but think about how much you've spent in the past month.

Were there any impulse buys?
Did you make an excessive

number of trips to the supermarket that ate away more money than intended?

Did you spend any money that was set aside for 'serious' demands?

Chances are there are one or two spending glitches that spring to mind.

Spending is one of the easiest activities in our daily lives. It's been made easy through automatic teller machines, EFTPOS at the supermarket and vast amounts of credit. There's nothing wrong with spending, but if you do have areas of weakness you should try to identify them.

Spending habits quiz

How easily do you let your hard-earned dollars slip through your fingers?

1 *It's payday, your salary has just been deposited in a savings account. Do you:*

- a rush out at lunchtime for an expensive meal and a splurge at the shops
- b withdraw a set amount of cash, leaving the rest aside in the account for bills and other expenses
- c transfer some money into a cheque account to cover bills, put some into a regular savings plan, leaving the balance in a savings account for everyday expenses

2 *The end-of-season sales are on and you need to pick up a few things for around the home. You:*

- a peruse sales catalogues and brochures, comparing costs and sizing up whether or not the discounts are actually competitive enough to make a purchase
- b pop into a department store just for a look and end up leaving with a new lounge suite, coffee table and book case — all on deferred interest credit
- c pick up a few items on sale, conscious that your credit card limit will only stretch so far

3 *A group of friends or family are thinking about heading off to the beach for a couple of weeks later in the year. The lure of the sun and sea is very tempting and you agree to go too. How do you pay for the trip?*

- a mostly by setting aside a certain amount of cash from each pay packet, with a bit of help from a credit card during the trip
- b pay in advance out of a general savings account and you save for any other expenses by setting aside some of your pay
- c rely on your credit card and start to pay the bill after the trip

4 *Suddenly the postman isn't welcome at your letterbox anymore — the electricity, gas and telephone bills arrive within 2 days of each other. Does it cause much of a headache in the household?*

- a Yes, but most of the money is sitting in an account set up especially to look after bills
- b Yes, no one has any money and you have to strike up a payment plan with two of the companies to pay off the bills
- c Yes, but you have anticipated these amounts would fall due during the month and will just have to forgo a few nights out to meet the costs

5 You win \$1000 cash in an office sweepstake. What do you do with the money?

- a spend it quickly so you don't have time to think about more practical financial demands
- b pay off a round of bills that happen to arrive within 2 days of each other and take your partner out to dinner with the remaining cash
- c add it on to your next home loan repayment — when compound interest is taken into account you save thousands of dollars by paying off the loan sooner

Scoring

Question 1 — a 0, b 2, c 5

Question 2 — a 5, b 0, c 2

Question 3 — a 2, b 5, c 0

Question 4 — a 5, b 0, c 2

Question 5 — a 0, b 2, c 5

How you fared

Score 0 to 9

Your definition of budgeting is probably setting aside \$5 to buy lunch. Unfortunately there's a bit more to financial responsibility than a savings account and the hope that you can meet the bills each month. Learning the basics behind budgeting will bring about results quickly. You may also find that with a bit of organisation you will be able to indulge yourself with some regular 'guilt-free' spending sprees!

Score 10 to 19

Cash flow can be a bit of a problem for you now and again, but you usually manage to sidestep major financial obstacles. However, the endless cycle of scraping through each payday with enough money to meet expenses and a little held over for savings and miscellaneous spending means you'll never really get on top of the financial rollercoaster. More than anything, a well constructed budget will curb the money worries that come with some of the larger living expenses like rent/mortgage payments and household bills.

Score 20 to 25

Congratulations on understanding the importance of drawing up strong budget goals. This booklet may well reinforce your financial practices and may also offer a few suggestions to improve weaker areas. Just remember, however, that even the best budget must offer some flexibility. A budget should never be set in concrete and sometimes it is important to indulge yourself with a new book or pair of jeans.

Great ways to cut down on spending

- 💰 Take lunch to work at least two to three times a week. This saves at least \$15 a week which translates to almost \$800 a year.
- 💰 Take away your main temptation — access to money. Withdraw a certain amount of cash and leave your cards and cheque book at home, perhaps even leaving \$10 in an envelope for cab fare.
- 💰 When you're next at the supermarket think twice about reaching for the more colourful and more expensive name brand. Try a few no-name labels to compare quality — often for half the price the quality is just as good. And don't go when you are hungry!
- 💰 And while we're still at the supermarket — plan meals in advance and prepare a shopping list before you go shopping. Studies prove that shoppers without a list buy more items than those who come prepared.
- 💰 When making major purchases think before you buy! Make a pact with yourself that the next time you want to buy on the spur of the moment, you'll set the item aside and think about the purchase for a day or two.
- 💰 Do you need two cars? It can be convenient, but you could be paying through the nose for it. Aside from the initial cost of the car, ongoing expenses like registration, insurance, service and petrol cost more than \$2000 a year. Even catching one or two taxis a week is cheaper than running an additional car.
- 💰 Even better, consider using public transport — plan your time and save on petrol, vehicle wear and tear, parking charges.
- 💰 Become a comparison shopper by watching advertisements — prices vary day-to-day on a whole range of goods from petrol to food.
- 💰 Think about buying goods second-hand. Auctions and garage sales serve up budget-priced quality items to the trained eye.
- 💰 Take a notepad with you and write down everything you buy over a month. You may be surprised by how much is unbudgeted for.



TIP

How to curb impulse buying

Next time you are tempted by an unplanned purchase, ask yourself:

- Do I really need it?
- Will I really use it?
- Will I still like it next month/next year?
- If I don't buy it now, do I want it so much that I will make a special trip later to come back and buy it?



CHECKLIST

Personal spending goals

Take a minute to think about a few good and bad spending habits you have. Can you improve your financial track record?

Draw up a table like this and write in your goals.

Spending habits I will try to break

.....

.....

.....

.....

.....

.....

Saving habits I will try to build

.....

.....

.....

.....

.....



• • • Debt does not have to be a demon

While it's important to curb the urge to splurge, there is also an art to effectively managing debt.

If you use it wisely, debt or more specifically credit, is a tool that can help you maintain your lifestyle and prepare for a better standard of living in the future.

Of course it's not as simple as applying for a dozen credit cards and charging them up until the first round of bills roll in. Rather the use of credit, and to some degree debt, is about conservatively juggling current financial demands with future earnings potential.

Putting it more plainly, credit is a short-term tool.

Credit cards and personal loans are used to bridge the gap between *needing* an item now and paying for it shortly down the track.

Debt, however, is a longer-term commitment. The most common household debt is the mortgage, and most people agree that a well built and well positioned home is a debt worth committing to for the long term.

Unfortunately, too many people sign on for a credit card or loan without thinking of the repercussions. No matter how easy it is to reach the limit on a credit card, the bill will still arrive every month and the balance will only disappear through hard work on your behalf.

On the other hand, none of us should live like misers: we work hard to have our needs and wants met.

Bear in mind that anything bought on credit, or any debt you hold, you eventually have to pay back with interest.

You can take advantage of the diverse types of credit and loans on offer, provided you understand exactly how these facilities work.

REMEMBER

Needs

Needs are the things you require to live a basically healthy life (for example, housing, food, clothing, transport, electricity, basic education etc).

Wants

Wants are the things you would like to have in order to improve your quality and enjoyment of life (for example, jewellery, eating out, holidays, fashionable clothes, a bigger house or car, etc).

Credit cards

These are the most useful credit tool available today.

- + You avoid carrying around huge wads of money.
- + You can travel with credit cards or travellers cheques more easily.
- + You can make purchases over the telephone.
- + They are handy as an emergency source of funds.

Credit cards are best used for smaller purchases as interest rates can be relatively high.

There are a vast array of cards available, and not all function in the same way. Before applying for a card you should be aware of the main styles and identify the one most suited to your credit history.

Advantages

Interest free period

- ✓ With up to 55 days interest free, this card is handy if you pay your balance off every month. If the amount is paid by the due date every month, you pay no interest on purchases. Note: Many cards do charge interest from the first day for cash advances.

No interest free period

- ✓ Interest rates are lower than 'interest free period' cards.

Debit style credit card

- ✓ These are structured like a credit card but your own funds are accessed. This is a cheaper way to carry 'quick cash', particularly useful for travel.

Disadvantages

- ✗ As a trade off for avoiding paying interest charges, these cards usually attract a yearly fee.

- ✗ As a trade-off for lower interest rates, interest starts accruing on purchases from day one.

- ✗ If funds are overdrawn, interest rates may become higher.

Personal loans

Personal loans can be used to buy a car, renovate the house or go on a trip. You generally have up to 5 to 7 years to pay off the principal and interest.

As this style of loan is held for longer than a credit card, interest rates can be lower.

Practical advice from credit unions

Credit unions offer their members the ability to access credit cards, home loans and personal loans. In fact, credit unions make more personal loans every year than any other financial institution in Australia. Your credit union can help you set a budget and make sure the repayments are right for you. Credit unions are member-owned organisations, so you'll find the service personal and helpful.

Home loans

There are a variety of loans available, all at different interest rates. Some have lower rates in exchange for less flexibility in terms and conditions, and some will offer

a slightly higher rate with a variety of added loan extras. A common added extra, a mortgage offset account, helps pay your loan off in a shorter period of time. The account works similarly to a transaction account but the interest paid on the account is channelled into the home loan. This is tax-effective.



PRACTICAL exercise

Juggling debt

Get wise with your debts! Many of us don't even know the interest rate we pay on our credit card, let alone on our home loan. This quick exercise will help you set out

exactly how much you pay each month and may even show you credit areas you can amalgamate to lessen debt.

Type	Interest rate	Monthly repayments	Credit limit
Credit cards			
Card 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Card 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Card 3	<input type="text"/>	<input type="text"/>	<input type="text"/>
Card 4	<input type="text"/>	<input type="text"/>	<input type="text"/>
Loans			
Personal loan	<input type="text"/>	<input type="text"/>	<input type="text"/>
Home loan	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total borrowed	<input type="text"/>		

By ranking cards and loans in order of interest rate, you may discover that you're paying more interest than necessary.

Use the information from the table to help you control your debt.

Update this table every 3 months, as interest rates change.

Can you cancel one or more of your cards?

Can you increase your personal loan and pay off higher interest debts?

Remember, look carefully at the credit limit on each card when making these decisions.

Don't over stretch yourself — if interest rates rise, you could end up in trouble.



TIP

Making the most of your credit card

Do

Pay off the balance each month.

Shop around for competitive credit card interest rates.

Keep a record of any telephone credit card transactions and keep receipts until the statement comes in.

Be aware of your credit limit.

Don't

Don't be tempted to sign up for a card purely on the basis of the loyalty or rewards scheme.

Don't use your credit card if your balance is looking a bit overweight.

Don't be tempted to increase your credit limit and thus continue to build greater debts.

Don't make too many cash withdrawals from a credit card as charges may be higher for these direct transactions

CHECKLIST

Have I considered all the options?

- credit cards
- debit cards
- overdrafts
- personal loans
- home loans

Have I thought about my spending habits?

- Do I really need to make that purchase now?
- Do I impulse buy to give myself a boost?
- Am I making the most of my credit options?
- Do I have too many credit cards?
- Am I weighing up different loan interest rates?



••• The nuts and bolts of budgeting

You've looked at a number of aspects of budgeting — saving, spending, credit and debt.

Now it's time for you to put it into practice.

At the back of this booklet you'll find two tables:

- a budget worksheet
- an annual budget planner

The worksheet helps you list all incoming and outgoing finances on

a monthly basis. You can then transfer these details to the annual planner to create an overview of your budget.

Using the tables

Go back to the practical exercises and checklists in each chapter and you'll find you've already covered some of the groundwork needed for the budget worksheet.

Now you are ready to start.

Step 1 —

Getting started

Grab a piece of paper, a pen and a calculator. Take a look over the worksheet first and start to think about the various areas it covers.

In summary, the worksheet breaks down your financial history by covering the following:

- Income
- Expenditure



Step 2 — Income

Start with the Income category.

Fill in each of the entries, beginning with salary (after tax). Try to round off to the closest dollar amount, working on a monthly basis.

Then multiply the monthly amount by 12 to calculate the yearly amount.

Add the monthly and yearly columns for the Total Income amount.

Step 3 —

Basic expenditure

Look at the Basic Expenditure section which is broken into eight parts:

- house repayments/rent
- utilities
- insurance
- transport
- food
- education and professional
- health and medical

These cover the most common and necessary expenses in our daily lives.

Fill in each of the sections.

Start with Housing by entering rent or housing loan repayments (other loan repayments are covered in a separate section later on).

At the end of each section add up the entries to create sub-totals.

Then add the sub-totals to determine the Basic Expenditure total.

Step 4 — Lifestyle expenditure

This section breaks down the most satisfying expenses like going out for dinner, sports club membership and travel.

Fill in each of the seven sections:

- clothing and grooming
- personal
- entertainment
- hobbies and sport

- holidays/travel
- gifts/donations
- pets

Again, at the end of each section add up the entries to create sub-totals.

Then add the sub-totals to determine the Lifestyle Expenditure total.

Step 5 — Loan repayments

The next section to enter in Expenditure is Loan Repayments. This covers credit card, personal loan and other regular repayments you make.

For entries like credit cards where the repayment amount can fluctuate greatly on a monthly basis, take a look at a few old statements and try to come up with an average figure.

Don't worry too much if you don't think the figure is realistic — you can always revisit the worksheet in a couple of months to change the amount.

Sub-total the amounts and add these up for a Loan Repayment total.

Step 6 — Savings

You should have a fair idea now of how much you need to save to enter into this last Expenditure section.

If you need more help, take another look at the first chapter to estimate some realistic savings amounts.

This is quite a flexible section that can be adapted to take the brunt of changes to other sections, but bear in mind as a general rule:

- you should be saving around 10% of the Income section (the first section in the worksheet)
- families with young children should have at least the equivalent of 3 months take-home pay set aside for emergencies

Add up your entries to determine your Savings total.

Step 7 — Comparing expenditure with savings

Now take the *yearly* totals from each of the Expenditure sections and place these in Total Yearly Expenditure.

Add these up and place the amount in Total Savings and Expenditure to show you exactly how much money you spend each year. (Hopefully this amount is less than your total yearly income, the figure from the first section of the worksheet.)

Subtract your savings and expenditure amount from your income.

How much do you have left in the Yearly Surplus/Deficiency entry?

If you have a positive amount, congratulations! Move onto Step 8.

If you have a negative amount, take a look back over some of the more discretionary spending areas like Lifestyle (section B in Expenditure). Can you spend less on video hire or eating out? Once you have monthly and yearly figures to work with, it is much easier to stick to a spending plan.

Step 8 — The annual budget planner

Assume that you've straightened out as many expenditure problems as possible.

Now take all the section yearly sub-totals and transfer them into the Annual Budget Planner.

While some bills will be higher in some months, this will even out over the year.

You can make a copy of the planner and enter in monthly changes to expenses to give you an

even more specific annual planner next year.

Try to allow for a 10% margin on monthly expenses to cover unexpected bills or emergencies.

Most importantly, if something goes wrong with your budget during the month, don't panic. Just try to adapt to the problem by making allowances in other areas if possible.

Budget Planner Worksheet

Identify your income and expenses to the nearest dollar on these Budget Planner Worksheets before transferring the major items to your Annual Budget Planner.

Name: _____ Date: _____

Income	Monthly	Yearly
Salary (1)	\$ <input type="text"/>	<input type="text"/>
Salary (2)	\$ <input type="text"/>	<input type="text"/>
Casual/Part Time	\$ <input type="text"/>	<input type="text"/>
Family Allowance	\$ <input type="text"/>	<input type="text"/>
Interest (savings/ investment)	\$ <input type="text"/>	<input type="text"/>
Dividends	\$ <input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/>	<input type="text"/>
Total Income	\$ <input type="text"/>	<input type="text"/>

Maintenance	Monthly	Yearly
Home Maintenance/ Repairs	\$ <input type="text"/>	<input type="text"/>
Major Improvements	\$ <input type="text"/>	<input type="text"/>
Gardens & Fences	\$ <input type="text"/>	<input type="text"/>
Pest Control	\$ <input type="text"/>	<input type="text"/>
Electrical & Furniture Replacement	\$ <input type="text"/>	<input type="text"/>
Linen & Utensils	\$ <input type="text"/>	<input type="text"/>
Swimming Pool	\$ <input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/>	<input type="text"/>
Maintenance Total	\$ <input type="text"/>	<input type="text"/>

Expenditure		
A. Basic		
Housing	Monthly	Yearly
Mortgage	\$ <input type="text"/>	<input type="text"/>
Board	\$ <input type="text"/>	<input type="text"/>
Rent	\$ <input type="text"/>	<input type="text"/>
Other Loan Repayments	\$ <input type="text"/>	<input type="text"/>
Housing Total	\$ <input type="text"/>	<input type="text"/>

Utilities	Monthly	Yearly
Water	\$ <input type="text"/>	<input type="text"/>
Electricity	\$ <input type="text"/>	<input type="text"/>
Gas	\$ <input type="text"/>	<input type="text"/>
Telephone	\$ <input type="text"/>	<input type="text"/>
Council Rates	\$ <input type="text"/>	<input type="text"/>
Body Corporate	\$ <input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/>	<input type="text"/>
Utilities Total	\$ <input type="text"/>	<input type="text"/>

Insurance	Monthly	Yearly
Home	\$	
Contents	\$	
Jewellery	\$	
Hospital/Medical	\$	
Vehicle/Motorcycle	\$	
Boat/Caravan	\$	
Life	\$	
Private Superannuation	\$	
Income Protection	\$	
Other	\$	
Insurance Total	\$	
Transport	Monthly	Yearly
Petrol	\$	
Licence	\$	
Registration	\$	
Motorist Association	\$	
Maintenance/Repairs	\$	
Bus/Train/Ferry	\$	
Parking Fees	\$	
Other	\$	
Transport Total	\$	
Food	Monthly	Yearly
Groceries	\$	
Meat	\$	
Fish/Chicken	\$	
Fruit & Vegetables	\$	
Bread	\$	
Milk	\$	
Lunches	\$	
Other	\$	
Food Total	\$	

Education or Professional	Monthly	Yearly
Union Fees	\$	
Professional		
Subscriptions	\$	
Course Fees	\$	
School Uniforms	\$	
Equipment, Tools	\$	
Books, Stationery	\$	
School Fees	\$	
Special Tuition - Music	\$	
- Sport	\$	
- Other	\$	
Excursions	\$	
Childcare	\$	
Other	\$	
Education or Professional Total	\$	
Health & Medical	Monthly	Yearly
Dentist	\$	
Doctor	\$	
Optometrist	\$	
Chemist	\$	
Chiropractor/ Physiotherapy	\$	
Specialists	\$	
Other	\$	
Health & Medical Total	\$	
Total A. Basic Expenditures	\$	

B. Lifestyle

	Monthly	Yearly
Clothing & Grooming		
Work Clothing/Uniform	\$	
Social Clothing	\$	
Sports Clothing	\$	
Footwear	\$	
Haircare	\$	
Make-up/Toiletries	\$	
Total Lifestyle	\$	

	Monthly	Yearly
Personal		
Alcohol	\$	
Cigarettes	\$	
Other	\$	
Total Personal	\$	

	Monthly	Yearly
Entertainment		
Movies & Concerts	\$	
Video Hire	\$	
Albums/CDs/Tapes	\$	
Exhibitions/Displays	\$	
Dinner	\$	
Disco/Clubs	\$	
Newspapers	\$	
Other	\$	
Total Entertainment	\$	

	Monthly	Yearly
Hobbies & Sports		
Equipment Maintenance	\$	
Equipment Hire	\$	
Fees	\$	
Club Membership	\$	
Magazines	\$	
Other	\$	
Total Hobbies & Sports	\$	

	Monthly	Yearly
Holidays/Travel		
Travel Fares/Fuel	\$	
Accommodation	\$	
Meals	\$	
Sightseeing	\$	
Other	\$	
Total Holiday/Travel	\$	

	Monthly	Yearly
Gifts/Donations		
Donations	\$	
Birthday - Gifts	\$	
- Parties	\$	
Christmas - Gifts	\$	
- Other	\$	
Work Related Gifts	\$	
Anniversary	\$	
Weddings	\$	
Births & Christenings	\$	
Special Occasions	\$	
Pocket Money	\$	
Other	\$	
Total Gifts/Donations	\$	

	Monthly	Yearly
Pets		
Food	\$	
Veterinarian Fees	\$	
Medications/Treatments	\$	
Registrations	\$	
Other	\$	
Total Pets	\$	

Total B. Lifestyle Expenditure	\$	
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C. Repayments	Monthly	Yearly
Car Loan	\$ <input type="text"/>	<input type="text"/>
	\$ <input type="text"/>	<input type="text"/>
Credit Cards	\$ <input type="text"/>	<input type="text"/>
	\$ <input type="text"/>	<input type="text"/>
	\$ <input type="text"/>	<input type="text"/>
Store Cards	\$ <input type="text"/>	<input type="text"/>
	\$ <input type="text"/>	<input type="text"/>
Other Loans		
- Credit Unions	\$ <input type="text"/>	<input type="text"/>
-	\$ <input type="text"/>	<input type="text"/>
- Bldg Society	\$ <input type="text"/>	<input type="text"/>
- Bank	\$ <input type="text"/>	<input type="text"/>
- Finance Co.	\$ <input type="text"/>	<input type="text"/>
- Other	\$ <input type="text"/>	<input type="text"/>
Personal Loan (Family/Friend)	\$ <input type="text"/>	<input type="text"/>
Equipment Rental	\$ <input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/>	<input type="text"/>
Total C. Repayments Expenditure	\$ <input type="text"/>	<input type="text"/>

D. Savings	Monthly	Yearly
General Savings	\$ <input type="text"/>	<input type="text"/>
Emergency Savings	\$ <input type="text"/>	<input type="text"/>
Special Purpose Savings	\$ <input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/>	<input type="text"/>
Total D. Savings	\$ <input type="text"/>	<input type="text"/>

TOTAL YEARLY EXPENDITURE		
	Monthly	Yearly
A. Basic	\$ <input type="text"/>	<input type="text"/>
B. Lifestyle	\$ <input type="text"/>	<input type="text"/>
C. Repayments	\$ <input type="text"/>	<input type="text"/>
D. Savings	\$ <input type="text"/>	<input type="text"/>
Total Income minus Expenditure & Savings	\$ <input type="text"/>	<input type="text"/>
NET YEARLY SURPLUS/ DEFICIENCY	\$ <input type="text"/>	<input type="text"/>

ANNUAL BUDGET

Details of my predictable expenses

TYPE OF EXPENSE	JAN	FEB	MAR	APR	MAY
Housing Repayments/Rent					
Home Maintenance					
Utilities/Rates					
Insurance					
Transport					
Food					
Education or Professional					
Health & Medical					
Clothing & Grooming					
Personal					
Entertainment					
Hobbies & Sports					
Holidays/Travel					
Gifts/Donations					
Pets					
Loan Repayments					
Credit Cards					
Store Cards					
Equipment Rental					
Savings					
Monthly Sub-total					
Add 10% safety margin					
Monthly Total					
Total Amount Expenses					



TIP

Quick budget reminders

Don't make your budget so tight that it's impossible to keep.

A budget is not set in stone. It is there to help, not hinder you. A sign of a successful budget is one that is flexible during tough times but able to reward you when finances are good.

If you do blow your budget one month, try to make up for lost finances in areas that are more flexible.

Revisit your budget every 3 months to see if there are any areas you can tighten up to improve your financial flow.

••• You are not alone

There are plenty of people ready to help you spend your money but there are others who will help you save it.

Credit union staff can help you select the best way to save money and manage loan repayments.

Savings options available through credit unions include:

- a low-cost personal cheque book linked to a competitive interest-earning savings account
- a flexible range of secure high-interest term deposits and savings accounts

- special savings plans to help you budget for bills
- a mortgage offset savings account to help reduce your mortgage faster
- a Christmas Account to prepare for that costly time of the year
- financial information and planning services

Credit union staff can also offer you a range of free booklets to assist you when buying a home or a car, or to pass on to younger members of the family starting out on the savings trail.

Special Thanks:

Credit Union Services Corporation wish to thank Creditline Financial Counselling Services for their invaluable guidance.

Note:

While we've checked everything in this booklet, no person should rely on the contents without first making their own inquiries or obtaining advice from a qualified person or both, regarding their particular circumstances. The publishers, the editors and the authors of this publication are not responsible for the results of any action taken or omitted to be taken by any person as a consequence of anything contained in this publication or for any error in or omission from this publication.





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