Everyday Money Matters

DEVELOP A MONEY PLAN OR BUDGET



Key messages for making a money plan
- Calculator for making a money plan
- Adjust your money plan when your situation changes
- Find a template or tool that works for you

A money plan enables a person or household to:

- meet everyday expenses plan for future expenses
- reduce stress around bills and day to day expenses.

Calling it a **money plan** can help people to feel they have some choice in where their money goes, while a **budget** can feel negative by making us think of restrictions and limitations. **Click the info icon for more tips.**



STEPS TO CREATE A REALISTIC MONEY PLAN

1. Track Your spending

Record every purchase (for at least 2 weeks), or checking your bank statement. Make sure you include any direct debits set up for bills, subscriptions or donations. There are apps to help with this, or you can write down what you spend, use your bank statements, or keep all of your receipts.

2. Calculate all the money coming in (income)

How often it comes in (do you get paid weekly, fortnightly or monthly?). Include salary or wages, Centrelink or pensions, Family Tax Benefit and/or child support.

3. Add up everything you pay for (expenses)

Be realistic. Most people underestimate how much they spend. Make sure you estimate enough for food and remember to include ALL your regular costs and bills, debt repayments and unexpected expenses! See Moneysmart's Budget Planner for items to include.

4. Minus your expenses (step 3) from your income (step 2)

Any money you have left over can be for extra spending (on treats) or saving (to create an emergency fund). If you don't have enough money to pay your bills and debts, speak with a financial capability worker or financial counsellor to get support.

5. Adjust your money plan

Whenever something changes- such as an increase or decrease in income or a new regular expense you will need to adjust your money plan to reflect the reality of your situation.

TIPS & TRICKS TO MAKE THE MONEY STRETCH



Key messages for making your income stretch
- **Be aware of spending leaks** – and try to find alternatives.
- **Electricity bills can be money guzzlers** – be aware of ways to reduce your energy use.

PLUG A SPENDING LEAK

Spending leaks are small amounts of money that you spend often and end up costing a lot over time.
Money Minded says some common spending leaks include:

- The 'add-ons', such as petrol for unnecessary trips or buying appliances that never get used; or
- The 'just-a-littles', such as chocolate, soft drink or lotto tickets.



Do you have a spending leak?
1. What is your leak?
2. How much does it cost?
3. How often do you buy/spend it?
4. How much could you save in one year?

CREATE AN EMERGENCY FUND

Having an emergency fund provides a safety net so you don't need to borrow money if the unexpected happens. Even if you can only save a tiny bit, if you save regularly it will build up over time. **Click the info icon for savings tips**

Try out these 2 savings challenges:

1. The Coke Bottle Challenge

This is a great challenge, especially if your client has children. All they need is a 250ml, 600ml or 1-litre drink bottle. The idea is to see if they can fill the bottle with $2 coins. If they can fill the bottle, they will have saved:

- 250Ml = $350
- 600ML = $880
- 1Lt = $1510



2. The 52 weeks savings Challenge

When building a habit, you start slowly and build up your strength. If you had never done a push up before you wouldn't just try and bust out 10 in a row on your first day! In this challenge, each week you increase the amount you save by $1. Depending on your money plan, you can choose to keep increasing by $1 until the end after 26 weeks, you can keep saving, but decrease the weekly amount by $1. In 1 year, you will have saved either $1378 or $702. Print the template on the next page to track your savings achievements!

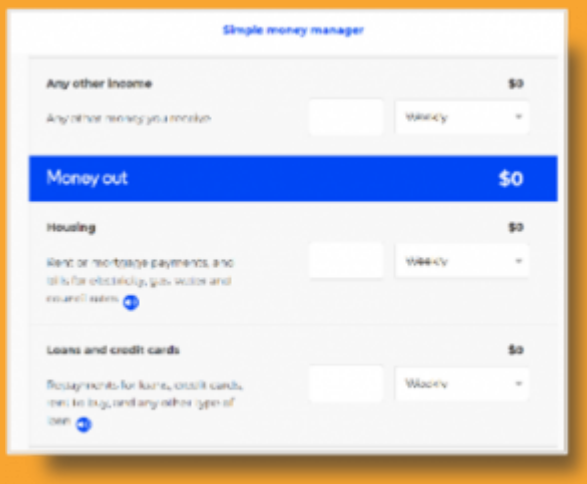
DOWNLOAD A 52 WEEK SAVING CHALLENGE WORKSHEET

USEFUL RESOURCES



Budget Planner

- Comprehensive budgeting tool
- Add custom items, set frequency of payment or expense & save and print.



Simple Money Manager

- Quick & easy budgeting tool in multiple language
- Audio content to explain each section

MoneyMinded

Free online financial literacy course covering 8 key topics (each taking 8-15 minutes). Requires you to register, login and use a password

Saving calculator
Workout:

- How long it will take to reach your savings goals
- Steps to take to put your plan into action

moneysmart .gov.au

Moneysmart says to set up a separate savings account. Click on the logo for information about finding the account for you.

FREE WAYS TO REDUCE YOUR ENERGY USE NOW



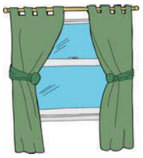


Use less hot water
Up to 25% of bill
- ✓ Huge energy guzzler
- ✓ Cold clothes washing
- ✓ Full dish-washing
- ✓ Shorter showers





Use appliances wisely
Up to 33% of bill
- ✓ Use lids on pots while cooking
- ✓ Only boil water that's needed
- ✓ Dry clothes outside
- ✓ Turn off extra fridges when not needed



Window watch
40% of heat can leak out of windows
- ✓ Don't let hot air leak out in winter
- ✓ Open at night in summer
- ✓ Let the winter sun in!



Climate control
Up to 38% of bill
- ✓ Only rooms you use
- ✓ Keep doors closed
- ✓ Close vents in winter
- ✓ Not too hot or too cool
- ✓ Get cosy
- ✓ Wear slippers!







Turn off at the wall
Up to 10% of bill – vampire power!
- ✓ Turn off Wi-Fi overnight or when you are not home
- ✓ Check everything with a standby light
  - Microwave / Radio / TV