

# WESTERN SYDNEY UNIVERSITY



## BUDGETING AND PLANNING

Budgeting is a great way to assess your income and manage your costs, especially when you're studying and on a limited income. Check out the following tips for creating a budget that is realistic and useful.

### Keeping track of your money

Before you budget, it is important to know where your money is going. It is easy to spend more than you earn or receive - so track your spending by keeping a spending diary. Use a notebook or download a budget app and note exactly what you are spending over a period (for example, a week). By noting the category into which each item falls you will be able to see how much you are spending and on what.

Date	Item	Amount
17/8	Train (weekly)	\$24
17/8	Board	\$110
18/8	Coffee	\$4
18/8	Dinner	\$14.80
19/8	Groceries	\$36.20
20/8	McDonalds	\$9
22/8	Phone	\$49
21/8	Photocopying	\$15
21/8	Stationary	\$8
22/8	Petrol	\$45.90
22/8	Concert ticket	\$90
23/8	Alcohol	\$48
23/8	Groceries	\$10.10

Category	Total spent
Transport - petrol, public transport	\$69.90
Bills - phone, electricity	\$49
Rent/board	\$110
Groceries	\$46.30
Takeaway	\$27.80
Entertainment	\$138
Study costs	\$23
<b>Total</b>	<b>\$464</b>

By knowing your income (e.g. work, Centrelink, allowances from family, interest from bank accounts etc.) and your expenses (e.g. bills, rent, clothes, food, transport costs), you'll be able to see where you are overspending and what items might be luxuries rather than needs. Check for spending leaks (expenses that can sap money from your budget without you really noticing) and see what you can do about them. For example, if you buy a coffee daily, consider reducing your purchases and bringing coffee from home. The savings you can make from putting this into practice may be significant.

### Be realistic about debt

Another important component about your budget is identifying if you have any debt and working to manage it. Ask yourself:

- Do I know exactly how much I owe?
- Have I put off visiting the dentist, buying a prescription, an important book or an essential item because I can't afford it?
- Do I usually pay my bills late?
- Am I constantly borrowing money from friends or relatives?
- Am I using more and more of my income to pay debts?
- Is my income running out by the end of each week or fortnight?

- Am I paying only the minimum amount on my loans or credit cards each month?
- Am I at or over the limit on my credit cards?\*

Are you answering yes to any of the above? Then it is time to get organised and make sure that your budget is realistic and perhaps get some assistance. A budget will also help you to realise what changes you might need to make (e.g. a part time job, going out less etc) to make sure you're not always in deficit. Here's an example of a basic weekly budget:

<b>Income</b>	
Centrelink and work	\$330
<b>Expenses</b>	
Rent/board	\$150
Food	\$40
Emergency savings	\$33
Petrol	\$50
Entertainment	\$25
Bills	\$16
Savings (holiday fund)	\$16
Balance (income minus expenses)	\$0

After you've made a spending diary, have a try at making your own budget! Remember to consider:

- Saving for larger items - cars, registration and insurance, holidays
- Saving for a 'rainy day' - by saving \$25 weekly, you will have \$1300 saved each year for when you need emergency funds. This can save a lot of stress at difficult times.
- Planning for bills or other regular costs, like medical expenses

It may be helpful to set up a direct debit system so that bills, living expenses and savings are taken out of your pay immediately and set aside so you can't spend them on other things. Centrelink offer a service called Centrepay which is a free direct billpaying service offered to customers receiving their payments.

## Savings

To help you to save consider using a no-fee savings account to put money away before you can spend it. You may want to have another account to put money away for bills and larger expenses.

## Getting Help

- For budgeting tools and calculators visit **moneysmart.gov.au**.
- If you wish to discuss your financial situation, need help making a budget or require financial assistance, contact the Western Sydney University Student Welfare Service on **welfare@westernsydney.edu.au**. You can also find out more online at **westernsydney.edu.au/moneymatters**.
- To find a financial counsellor visit the Financial Counsellors' Association of NSW at **fcan.com.au**.

\*adapted from <http://bit.ly/1Nmka1m>.