

# How to create a budget



1

## List income

Create a list of any money you have coming in, for example, money you earn or receive on a regular basis.

2

## Track spending

Create a fairly accurate list of how much you spend each week and what you spend it on. It may take a couple of weeks to get all the information you need. When it's all together in one place, you're ready to build a budget.



One way to track your spending is to keep shopping receipts. There are also smartphone apps that can help track spending, for example, the YNAB (you need a budget) app. You can also track your spending by looking at your bank account.

As well as listing your daily or weekly spending, you need to list your regular costs such as your mobile phone data. If you're creating a weekly budget, you can convert monthly payments into weekly payments by multiplying them by 12 and then dividing by 52.

4

## Calculate difference

Identify how much your income is and how much your expenses are and calculate the difference between the two using the equation **difference = income - expenses**.

If the result is a positive number, you have a surplus. You're spending less than you have coming in. If the result is negative, you're on shaky ground financially. You're spending more than you have coming in.

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## Include savings

Add any money you save regularly to your budget.

