



Better Money Management

Budgeting guide

A guide to help you budget better, build financial resilience and boost your financial wellbeing.

In this guide:

- Why budget?
- Setting up your budget
- Budget review
- Putting a spending plan in place

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Saving

Why budget?





When you're working long hours and juggling all the demands that come with a busy life on and off the ward, prioritising your own financial wellbeing can be challenging. Our Better Money Management guides are here to help with the information, tools and tips you need to boost your financial wellbeing, get the most from your pay and work towards the life goals that matter most to you.

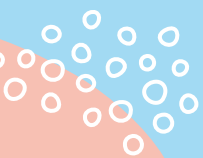
All roads to greater financial wellbeing start with budgeting. Setting up a simple budget can empower you to take control of your finances, plan for the future and save more - for a rainy day, a deposit on your first or next home, or the things in life that float your boat!

Budgeting can help you:

-  Control your spending and get on top of debt
-  Save more towards your financial and life goals
-  Plan for unexpected expenses and emergencies
-  Ease financial stress with a clear plan and more spending certainty.

Set up a monthly budget to:

-  Get a clear picture of your ingoings vs out goings
-  Find spending cuts and put a spending plan in place
-  Work out how much you can save
-  Track your spending



Setting up your budget

Setting up a simple budget can give you a clearer picture of your current finances and show you how much you're spending on what so you look for areas to cut back or save.

Step 01

Enter your monthly income

Include your regular pay plus income from any investments or side hustles.

Step 02

Enter your monthly expenses

Include all expenses from credit card and loan repayments to entertainment expenses, retail spending, eating out and app subscriptions.

Step 03

Group expenses into categories

e.g. Home, utilities, groceries, transport, entertainment, fitness and health etc. Our Budget Planner is set-up with common spending categories, but you can add your own too.

Budgeting tools:



Use online budget calculators and tools, like the Budget Planner on our website



You can also use a spreadsheet or even a pen and paper to create your budget



The right tool is the one that works best for you - it means you'll be more likely to stick to it.



Tips

- ✓ Don't include overtime pay in your monthly income unless it's regular and ongoing
- ✓ Go through previous bank and credit card statements to make sure you've captured all expenses
- ✓ Don't forget to include less frequent expenses like haircuts, retail purchases, annual or quarterly bills as a monthly percentage.

Budget review

Once you've entered all your monthly incomings and outgoings, it's time to review your budget. Are you spending more than you earn, or do you have a little left over at the end of the month to put towards your savings goals? Either way, there's always room for budget repair or improvement.

Budget surplus

If you're earning more than you spend, you're in surplus – which means you've got money left over at the end of the month that can be allocated to paying off debt or saving for a rainy day.



Budget deficit

If you're spending more than you've got coming in, it means you're in deficit. If that's the case, you may be using credit to cover the shortfall - a key priority will be to get your budget back in balance and pay off debt.



Needs vs wants

If your budget is in deficit, it's time to look for spending cuts to get your budget back in balance - or even better - into surplus.

Understanding the difference between essential vs non-essential spending, or needs vs wants, is an important part of balancing the books and improving your overall financial wellbeing.

When we're looking for opportunities to trim spending - non-essential spending, or 'wants', is a great place to start.

Shoes for work?



Key budget priorities:



Paying down high interest debt (e.g. credit cards, store credit)



Building a rainy day fund to cover emergencies and unexpected expenses



Putting a spending plan in place

Once you've identified areas where you can trim spending, it's time to put a spending plan in place to help you stay on track. A spending plan should allocate money to your essential expenses first.

- ✓ Prioritise your essential needs, such as housing, utilities, food and transport.
- ✓ Set realistic spending goals and stick to them
- ✓ Trim non-essential spending like entertainment, dining out and non-essential retail purchases and put monthly spending limits in place
- ✓ Consider alternative options like meal planning, home workouts or buying second hand
- ✓ Use surplus funds to pay down debt, build an emergency fund and save towards your goals.

Spending leaks

Like drips from a leaky tap, spending leaks are those small, regular expenses that can add up and make a big dent in your budget over time. E.g. buying a coffee every day, unused gym memberships, entertainment subscriptions or late payments fees that can chip away at your account balance.

Q: Can you do without the premium music subscription? Could you walk or do park work outs instead of paying for a gym or Pilates membership? Coffee every other day?

Tips for keeping your budget on track

- ✓ Use cash or a debit card to stay within your budget
- ✓ Turn on **'How I Spend'** via **'My Settings'** in our Mobile Banking App to see how much you're spending each month on what, so you can make more informed spending choices
- ✓ Review your budget regularly and adjust in line with changing circumstances (e.g. an increase or decrease in your expenses or income)
- ✓ Use payment reminders and alerts to stay on track and avoid late payment fees
- ✓ Celebrate your successes to stay motivated.



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