



# **BUDGETING** FOR LIFE

a budgeting  
booklet for people  
on low to  
moderate incomes



# BUDGETING FOR LIFE

a budgeting booklet  
for people on  
low to moderate incomes

## A Surviving and Thriving Booklet

### Contents

Acknowledgements	ii
About this booklet	ii
Why do people contact Care Inc. Financial Counselling Service?	iii
What is financial counselling?	iv
Budgeting for Life	v
<b>1 What is a Budget?</b>	<b>1</b>
Budget basics	1
Needs, Wants and Hopes	4
Getting Started	6
<b>2 Budgeting Tools</b>	<b>9</b>
Income Table	9
Budget Sheets	12
Budgeting Tips	18
Spending, shopping, banking and household	20
Shopping List	22
Ways to Pay	23
Stay on Track Strategies	25
Spending Diary	26
What about Debts?	28
Some useful contact details	30

### Acknowledgements

Care Inc. first produced a 'Surviving and Thriving' publication in 1989. Since then the book has undergone five major reviews. It is now a series of booklets on specific subjects. We thank the many contributors over the years. We would like to thank staff and volunteers of Care Inc. and the Consumer Law Centre for their assistance in the production of this booklet.

Finally, we thank our clients – your experiences and resilience enrich our lives.

Care Inc. acknowledges financial assistance from ActewAGL in the printing of this Budgeting for Life booklet.

In providing service to our clients, Care Inc. acknowledges the assistance of the following:

- Community Services Program ACT Community Services Directorate
- Commonwealth Financial Counselling Program (CFCP), Department of Social Services
- Housing ACT
- ACT Justice and Community Safety Directorate

### About this booklet

This booklet is about budgeting. It provides helpful information about how to stay within your means. There are also ideas about who to contact for help if you are not able to manage your budget.

## Why do people contact Care Inc. Financial Counselling Service?

People of all ages and stages in life contact us because:

- They experience a change of circumstances and are no longer able to meet financial commitments.
- They are in debt and need information on options available to resolve their financial situation, including concessions, rebates, taxation and budgeting.
- They want to look through their budget and see where the money is going.
- They want to talk through the stresses of living on a low or restricted income.
- They want information about their rights e.g. contracts, harassment, financial hardship.

## Financial counselling

A combination of counselling, information about money matters including options for dealing with debts, advocacy or negotiation where appropriate and referral to other services. We provide telephone information, information appointments and ongoing casework.

Our service is strictly confidential. We do not talk to other people about your matters unless we have your permission.

Anyone can use Care's information services. However, only people on low to moderate incomes can access our casework service.

There is no cost to use our service.

## How do I contact Care Inc.?

Ring the National Debt Helpline on 1800 007 007 between Monday to Friday 9 am to 4:30 pm.

## Budgeting for Life

### What's it about?

This booklet is all about budgeting. It's for people living on a low or moderate income who want a simple method of budgeting and a plan to follow.

It also provides information about what to pay first to keep spending on track, as well as options for paying bills.

If you're someone who has never budgeted or someone who wants to go back over the basics to see where your money is going, then this is the booklet for you.

A booklet called 'Surviving Debt' is also available if you have debts that you're having difficulty managing.



**It's important to acknowledge that if you are living on a pension, benefit or low wage, getting by from week to week is an achievement in itself.**

### Do you find yourself 'robbing Peta to pay Pauline'?

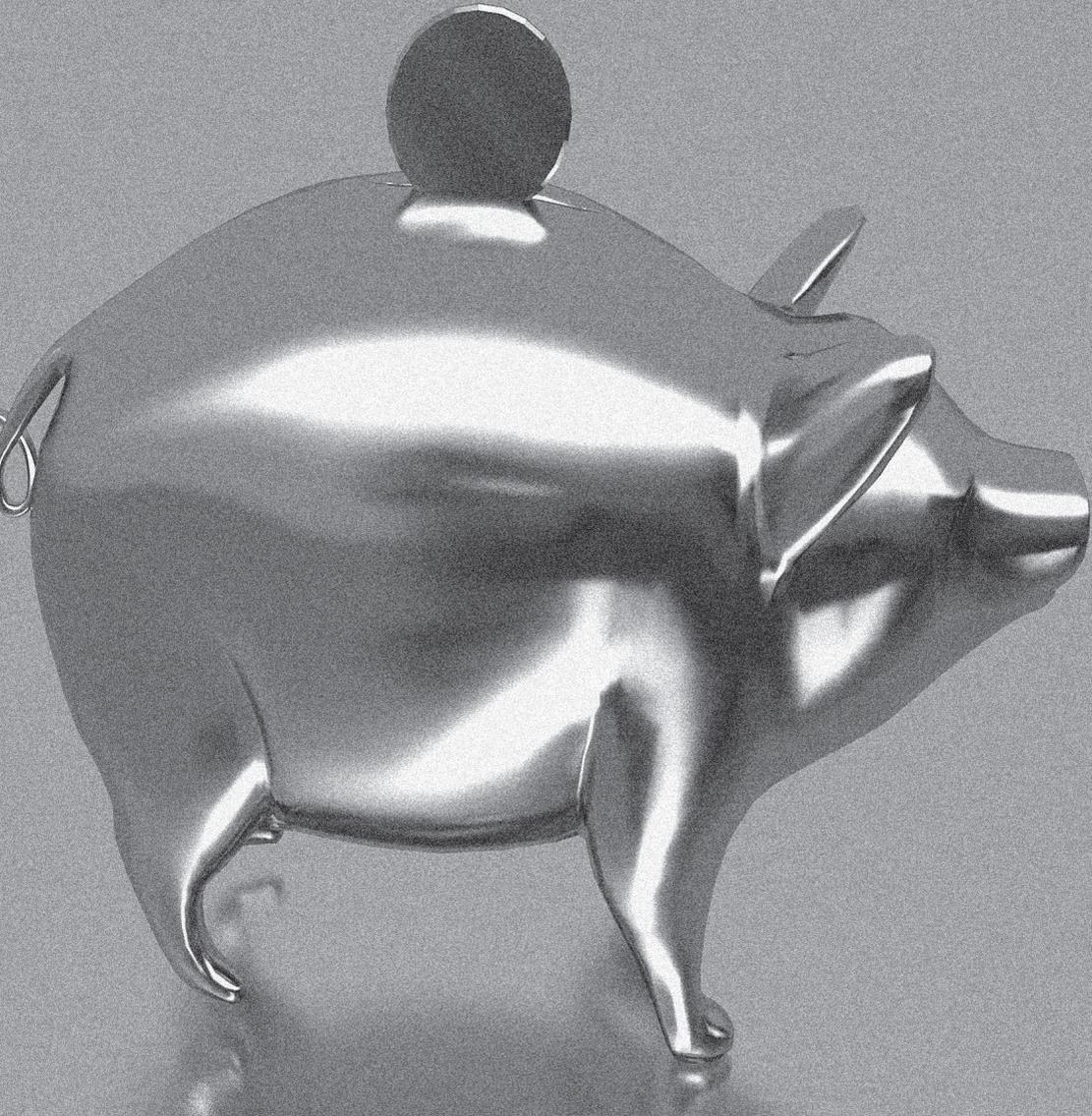
Many people living on a low income find life stressful and they worry about how to pay the bills. Having a low income can make life more difficult because you have to be so careful with where your money goes. When something unexpected happens and there's no spare money to cover things like the fridge breaking down or extra medical costs, it's easy to become overwhelmed.

It's important to acknowledge that if you are living on a pension, benefit or low wage, getting by from week to week is an achievement in itself.

You probably already have skills and abilities in the way you currently manage your money. But if things are a bit haphazard, then learning to budget should help you stay more in control.

### What if I'm in debt?

If you're living on a low income and you're also in debt, it's always important to do a budget first, to look at your ability to deal with the debts. There are suggestions on page 28 for dealing with debts.



Are you scared of the thought that you will have to face how much gets spent on what?



**Do you prefer to ignore money matters and hope they'll go away?**

**Do you ever leave bills unopened because you're worried about what the amount owing might be?**

## A budget is a tool

Rather than thinking of a budget as something scary, think of your budget as a tool or chart to guide your decisions when you are spending, borrowing or facing financial difficulties.

## Make your budget realistic

A good budget should provide adequately for your living expenses and be something you can manage on. Being on a low income means there's less money to cover everything, so being realistic is very important. The more realistic you are, the more likely your budget is to work.

## What about savings?

One area that can be a challenge for people on a low income, is savings. It may be difficult or sometimes impossible to save, even though people usually think they 'should' be saving.

So make your savings goals small to begin with. Beginning any saving plan with even a few dollars is a good start.

Trying to put away a little money each pay can still add up. If you earn more money in the future, you can always adjust your budget and increase your savings.

Also, if you have debts to repay, you may not be able to begin saving until these are paid off.

## Advantages of budgeting

- You know what's happening with your money
- Helps prioritise essential spending
- Helps identify strengths
- Helps identify problem areas to be worked on
- Can help you achieve goals
- Helps you get the best value for your money
- Can relieve money related stress



**A budget can help you plan to achieve some goals, like paying off an outstanding bill, having enough money to have coffee with friends or buy a movie ticket.**

If you would like to talk to a financial counsellor while working your way through the steps in this booklet, ring Care's information line on 1800 007 007 Monday to Friday 9 am to 4:30pm.

## Needs, Wants and Hopes

Most people have things that they:

- Have to spend money on (needs), such as rent or mortgage, food, utilities or medical costs.
- Like to spend money on (wants), such as going out to dinner with friends, new mobile phone or Netflix subscription.
- Dream about spending money on (hopes), such as a holiday.

## What about goals?

You will probably have some finance-related goals. Your goal or goals can be needs, wants or hopes. If you are reviewing or developing new ones, consider making them SMART goals. This means that your goals are **S**pecific, **M**easurable, **A**chievable, **R**ealistic and within a **T**imeframe.

Make it a <b>specific</b> goal	Write down exactly what your goal is. For example, I need to save money for my family Christmas.
Make it a <b>measurable</b> goal	Identify what is needed to achieve the goal. For example, how much is it going to cost? What do I need to save to achieve this goal? Do you have the means to achieve this goal?
Is your goal <b>achievable</b> ?	How likely are you to succeed given your current situation? What things might help you succeed? What might be some road blocks? What financial commitments do you first need to address (i.e. paying off your credit card before you can start saving for this goal).
How <b>realistic</b> is this goal in your current situation?	If not, what can you change to make it more realistic? What can you go without to achieve this goal (i.e. pack lunch instead of buying lunch, reduce take away dinners, take public transport to work instead of driving, reduce going out).
What is the <b>timeframe</b> for achieving this goal?	When will you start? When do you plan to have finished?

## Look after yourself!

Quality of life means taking care of the basics first but also allowing yourself some things that make you feel good and that you enjoy.

Using SMART goals can help you to identify what to add to your budget when circumstances allow

## Getting Started

Two simple rules to help manage your money:

1. Know where your money comes from and how much you get and;
2. Know where your money is going.

### What do I need?

In order to work out your budget, you will need an income table and a budget sheet, a calculator, pencil, eraser, your paperwork (for example, recent financial/ bank statements, bills, pay slips and entitlements) and some quiet time. The more paperwork you have, the more accurate your budget figures will be.

There is an income table on page 11 of this booklet, and a sample budget sheet on page 16. There are three different budget sheets in the lift out section, two have examples of expenses and one is blank, if you would like to design your own. Photocopy them if you need more.



**There is also a budget sheet on our website at [www.carefcs.org](http://www.carefcs.org).**

**The website budget sheet will add up your expenses automatically and show how much money you are spending each pay period. It will also give you a total amount for each expense for a year.**

## Where does your money come from?

Knowing where your money comes from seems obvious, and for some people it is. But you may have a combination of incomes, for example part Centrelink pension, part wage. You may get a pension one week and Family Tax Benefit the following week. There may be amounts for Centrelink loan repayments or overpayments being deducted from your income. If you are getting a wage, tax will be taken out.

It is very important to know how much money you are entitled to get and to check the amount of any deduction to make sure it is correct.

### Check income and deductions

If a deduction is being made from your income and you're unsure about why it's being taken from your wage or Centrelink payment, be sure to ring and ask the relevant person what the deduction is for. Do this before filling in your income table, so that the amounts you are recording are an accurate reflection of what you are being paid and what is being deducted.



**It is very important to know how much money you are entitled to get and to check the amount of any deduction to make sure it is correct.**

## Income Table

### Income Table basics

There is an income table on page 13 for you to use.

- Put income amounts on table
- Put deductions on table
- Take deductions away from income
- Transfer amount left over to top of Budget Sheet



You'll need to decide whether you are going to work out your budget using weekly, fortnightly or monthly amounts.

### Budget to your pay period

You'll need to decide whether you are going to work out your budget using weekly, fortnightly or monthly amounts. Most people link their budgeting to their pay period. So if you get paid each fortnight, it makes sense to work out a budget based on fortnightly amounts.

## Gross income

Work down the Income Table on the following page and put in every source of income that you have, before anything is taken away from it. This is called gross income and is used in things like Centrelink, tax and housing calculations.

## Net income

Then put all the deductions taken from your income onto the income table. These are things like tax or Centrelink loan repayments. Add up these amounts and subtract the total from your gross income. The amount left is your net income. Net income is what is available for you to spend on your expenses. Transfer this amount to the top of your budget sheet.



## Income Table

Where your money comes from (Income)	Time period (circle)
	Weekly Fortnightly Monthly
Salary or wage (Gross – before tax)	\$
Centrelink payments (Pension, Allowances, Parenting Payment)	\$
Family Tax Benefit	\$
Child Support	\$
Other	\$
Total gross amount	\$
<b>Deductions from your income eg Tax, Centrelink Repayments, Other</b>	
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>Total deductions</b>	<b>\$</b>
Subtract total deductions from total gross	
<b>= Net amount left (transfer this amount to your Budget Sheet)</b>	<b>\$</b>

You've completed the first part of your budget. Now to the next part, putting your expenses onto the Budget Sheet and seeing what, if any, is left over at the end.

## Budget Sheets

Choose which Budget Sheet you are going to use from the lift out section provided with this booklet, Care Inc.'s website or one you have designed yourself. There is also a sample on page 16 in this booklet. Then:

1. On the top of the Budget Sheet, put your 'Net Income' from the Income Table.
2. Cross out any items on the sheet that you don't spend money on. For example, if you don't have pets, cross out the Pets/Vets section.
3. In the blank spaces, put in any items that you spend money on that are not listed.
4. Put any amounts where you always pay the same amount each pay period, on the sheet. For example, if you pay the same amount on rent each pay period, put this amount on the sheet. These are called 'fixed expenses'.
5. Now for the tricky part, the 'variable expenses'. You need to set aside money for variable expenses in order pay all your ongoing bills. This helps show if you have enough money to cover your expenses and shows how much you can really afford to pay.

Weekly or fortnightly bills for things like food or medical expenses need to be averaged. You will need 3 or 4 bills. Add the bills up and divide by the number of bills to get an averaged amount.

### For Example

Shopping docket from the last 4 fortnight's pays:

$$\$22 + \$157 + \$98 + \$228 = \$683$$

Then divide this by 4 to get the averaged amount per fortnight = \$170.75

---

This is the amount that you put onto your sheet. This is also the amount you try to stick to each pay. It's better to keep things evened out over your pays than to have too many highs and lows. If you spend more one fortnight, you will need to spend less the next fortnight to keep things balanced and not overspend.

6. Monthly bills also need to be changed to fit your budget. To convert a monthly bill to a fortnightly amount, first multiply the amount of your bill by 12 to get a yearly amount, and then divide by either 26 to get a fortnightly figure or 52 to get a weekly figure.
7. For bills that come every three months, 4 bills every year, add the last 4 bills together and divide by 26 for fortnightly amounts or 52 for weekly amounts.

### For example

Electricity bills come every three months, so collect your last 4 bills (equal to the last 12 months electricity you have used):  $\$170 + \$500 + \$380 + \$450 = \$1500$

Then divide by 26 to get a fortnightly figure = \$58.

---

This is how much the electricity is costing per fortnight in dollar terms averaged over the whole year. This is the amount that you would need to pay or put aside each fortnight to cover your electricity bills.

8. Other bills like car registration need to be averaged to fit with your budget timeframe. Don't forget that if you are paying a bill in parts there may be a fee for this and it needs to be included in your calculations.
9. Put in all amounts, even small ones as these all add up.
10. If you have debts, these need to be included on the sheet, to fit with your pay period. Many credit cards or loans ask for monthly payments. If you are using a fortnightly or weekly budget, you will need to work out how much you need to put aside each fortnight to cover your repayments and put this figure on the budget sheet.
11. The next step is to add up all your expenses. It's a good idea to do this by firstly adding up your living expenses without including any debt repayments. This helps to:
  - a. show if you are able to meet basic living expenses, and
  - b. show what capacity you have for debt repayments.

It's important to take care of your basic living expenses first. These are housing, food, power, medical expenses, phone and transport. These things help provide stability and basic quality of life. Once you know what your living expenses are costing you, then add in your debt repayments. If you can't meet the required repayments there is information on page 27 that may help.

12. Once you have entered all the amounts on the sheet, add them up and subtract the total from the amount you put on the top for your net income.

### Don't panic!

Ideally you will have money left over (a surplus) after taking the total amount of your expenses from the net amount of your income. If you are spending more than you earn (a deficit) and you can't resolve the situation yourself, don't panic! There may be some simple options for dealing with a deficit. You may need to make choices about which items in your budget could be changed. If you want to talk about possible options, call Care's financial counselling information line on 1800 007 007.



**If you are spending more than you earn, don't panic! There may be some simple options for dealing with a deficit.**

### Concessions

If you are on a low income you may be entitled to a concession on some of your regular expenses such as electricity, transport, telephone and rates.

Some concessions are provided by the Commonwealth Government (telephone, rent assistance, childcare rebate). More information can be found on the human services website: [www.humanservices.gov.au](http://www.humanservices.gov.au)

Other concessions are specific to ACT residents and are provided by the ACT Government. More information is on their website: [www.assistance.act.gov.au](http://www.assistance.act.gov.au)

## Budgeting Tips

Remember to always pay the basics first. These are food, housing (rent or mortgage), power, medical expenses, transport and phone.

### Controlling spending

- Have a set day when you do all your shopping and pay your bills
- Don't go to the shops unless you really need to
- Pay a couple of dollars extra on each bill to get ahead, even a little bit adds up
- Try paying money into a separate account for bills so that you cannot use it for everyday expenses
- Have deductions for basic expenses such as housing, electricity, or phone taken from your income before you receive it. There is information about various ways to do this in the 'Ways to Pay' section of this booklet
- Use a Christmas Club account or something similar to save for end of year expenses to help reduce stress
- Use jars or envelopes to put money into to keep for bill paying

## Sample Budget Sheet

(See lift out section for more budget sheets)

Expenses	Time period (circle)
	Weekly/Fortnightly/Monthly
PERSONAL	Net Income
Mortgage/Rent	\$
Rates - General/Water & Sewerage	\$
Insurance - Household/Contents	\$
Electricity/Gas/Wood/Oil	\$
Telephone (home)	\$
Telephone (mobile)	\$
Internet/Pay TV	\$
Maintenance/Replace goods/Garden	\$
OTHER (specify)	\$
<b>SUB TOTAL</b>	<b>\$</b>
PERSONAL	
Superannuation/Union fees/Life Insurance	\$
Health/Ambulance/Medical Insurance	\$
Medical/Chemist/Optical/Dental	\$
School Fees/Books/Excursions/Pocket Money	\$
Food/Supermarket	\$
Milk/Bread	\$
Lunches/Takeaways	\$
Smokes/Alcohol	\$
Clothes & Shoes/Dry Cleaning	\$

Sport/Hobbies/Lotto	\$
Newspapers/Subscriptions/Memberships	\$
Entertainment/Recreation	\$
Gifts - Birthday, Christmas	\$
Childcare	\$
Hair cuts/Personal Items/Holidays	\$
Pets/Vets	\$
OTHER (specify)	\$
<b>SUB TOTAL</b>	<b>\$</b>
TRANSPORT	
Registration - Car/Trailer/Van	\$
Car Insurance	\$
Roadside Assistance	\$
Petrol/Oil	\$
Repairs/Service	\$
Public Transport/Taxis/Parking	\$
Licence	\$
OTHER (specify)	\$
<b>SUB TOTAL</b>	<b>\$</b>
DEBT REPAYMENTS/LOANS	
	\$
	\$
<b>SUB TOTAL</b>	<b>\$</b>
NET INCOME	\$
<b>TOTAL EXPENSES (subtract from Net Income) = Surplus/Deficit</b>	<b>\$</b>

## No Interest Loan Scheme (NILS)

If you are having difficulty getting together the money to purchase basic household furniture or other essential goods, you may be eligible for a no interest loan to buy these items. Care operates a NILS in the ACT. No interest loans of up to \$1500 can be accessed by eligible borrowers for:

- Whitegoods such as fridges and washing machines
- Household furniture such as beds, table and chairs
- Electrical equipment such as televisions and computers
- Medical equipment
- Car repairs

For more information check Care's website or call our admin line on 62571788.



**Remember to always pay your basic expenses first.**

## Spending, shopping, banking and household

### Shopping

- Make a shopping list and stick to it. At the end of this section there is a list you can photocopy and use when you are at the shops.
- Only go to the shops when you need to go – the less you go, the less you'll spend
- Shop quickly
- Pay cash wherever possible

- Keep all docket so you can check what you're spending
- Don't use a trolley unless you really need to, because you'll fill it up
- Look for specials, shop-a-dockets, coupons, and use them
- Don't shop when you're hungry
- Fill up your basket first with fruit and vegies, not packaged foods
- Use lay-bys to spread payments for larger items
- Shop with a friend to buy in bulk

### Shopping Online

### Banking

- Open an account with the lowest fees and most withdrawals allowed per month. If you have a concession cad ask your bank about their 'basic' bank accounts that do not have fees.

- Use one account for everyday transactions and another to save into for bill paying
- If paying by EFTPOS – get cash out for other things at the same time to reduce the number of transactions you make
- Don't ever get out more money than you need from the bank or EFTPOS to prevent overspending
- Check each bill and statement you receive to be sure they're correct
- Pay off anything that accrues interest, as quickly as you can
- Avoid credit cards if possible as the interest is high
- If there are direct debits from your account, always make sure there is enough money to cover them in your account, as dishonour fees are extremely high
- Only withdraw money from your own bank's ATM to avoid extra fees

## Household

- Turn off lights when not in use
- Switch electrical devices off, don't leave them on standby
- Minimise the area you want to heat, the time you heat for and the temperature on the heater
- Fill kettles, washing machines with cold water
- Only do the washing when there's a full load
- Check seals on fridges to make sure they're not leaking
- Shop around for large purchases to get the best deal
- Lay-by clothes and shoes at the start of each season

## Shopping List

(photocopy for your use)

- |  |   |
|--|---|
| <input type="checkbox"/> Fresh / Canned Fruit      | <input type="checkbox"/> Noodles          |
| <input type="checkbox"/> Fresh / Frozen Vegetables | <input type="checkbox"/> Garbage Bags     |
| <input type="checkbox"/> Meat                      | <input type="checkbox"/> Baby Food        |
| <input type="checkbox"/> Chicken                   | <input type="checkbox"/> Nappies          |
| <input type="checkbox"/> Fish                      | <input type="checkbox"/> Laundry Powder   |
| <input type="checkbox"/> Bacon                     | <input type="checkbox"/> Cleansers        |
| <input type="checkbox"/> Cold Meat                 | <input type="checkbox"/> Soap/Shampoo     |
| <input type="checkbox"/> Milk                      | <input type="checkbox"/> Hair Care        |
| <input type="checkbox"/> Bread                     | <input type="checkbox"/> Toothpaste       |
| <input type="checkbox"/> Eggs                      | <input type="checkbox"/> Toilet Paper     |
| <input type="checkbox"/> Cheese                    | <input type="checkbox"/> Feminine Hygiene |
| <input type="checkbox"/> Yogurts                   | <input type="checkbox"/> Dog Food         |
| <input type="checkbox"/> Bread Rolls               | <input type="checkbox"/> Cat Food         |
| <input type="checkbox"/> Butter/Margarine          |   |
| <input type="checkbox"/> Cereal                    | <b>Add your own</b>                       |
| <input type="checkbox"/> Tea                       | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Coffee                    | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Sugar                     | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Soups                     | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Gravies                   | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Tomato Sauce              | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Vinegar                   | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Spreads                   | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Spices                    | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Pasta                     | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Pasta Sauces              | <input type="checkbox"/> .....            |
| <input type="checkbox"/> Rice                      | <input type="checkbox"/> .....            |

## Ways to Pay

There are lots of different ways to pay accounts and bills. Try to find a way that suits you and that you can do with the least amount of stress.

### Cash

This is often the easiest way to pay. You get your receipt, attach it to the bill or account, file it away and it's dealt with! Many bills can be paid at post offices. You can also make part payments on some accounts as well. Once you've done your budget, begin paying the amount shown in your budget on each of your bills.

### EFTPOS

If you don't want to carry cash, you can use EFTPOS for bill payments, either in part or full, at post offices and some stores. Keep in mind the number of transactions that you use as there may be a fee if you exceed the allowable 'free transactions' on your account.

### B-Pay (by phone or internet)

If you are unable to get out to pay bills, this may be an option. You need access to a telephone or a computer with internet capability and follow the instructions for payment. You transfer money from a nominated account to the institution you owe money to. Be sure to write down the receipt number at the end of the transaction. Check with your financial institution to see whether there are fees for B-pay transactions. If there are fees, these need to be included in your budget.

## Centrepay

If you are receiving a Centrelink payment, it's possible to arrange an amount to be deducted on a regular basis and paid on some bills, prior to the Centrelink payment being deposited in your account. This means that your nominated bills are part paid before you get your money and you don't have to worry about spending money that should go on bills. Centrepay only covers certain things like rent, electricity and gas. Contact Centrelink if you want to use this service.

## Budget Payment Cards

Some organisations (like electricity suppliers and phone companies) will issue a Budget Payment Card which allows you to make part or full payments at the post office. Ask your supplier how you can get a payment card so you can use it to make part payments on each bill. Some gas or electricity providers can also tell you how much in dollar terms, you are using per pay period so you can put this on your budget.

## Direct Debit

This is when you nominate a set amount to be deducted automatically from your account each pay. Actew, for example, have an EvenPay direct debit scheme. Be sure to have the nominated amount in the account that the direct debit is going to be made from. If there's not enough money in the account, you'll be charged a 'direct debit dishonour fee', and these fees are usually high. If you get a Centrelink payment, it may be better to get your deductions done by Centrepay so that you don't run the risk of a dishonour fee.



**Remember that whatever method you choose, first refer to your budget sheet. Begin paying the amount on your budget sheet straight away or nominate that amount to be deducted, for example, from your Centrelink payment.**

## Stay on Track Strategies

- Do your budget regularly and review it at least every three months
- Check your spending periodically using a Spending Diary.
- There are instructions on how to use a Spending Diary on page 26, and a Spending Diary in the lift out section of this booklet
- Pay the basics first – food, housing, medical, electricity, phone, transport
- Plan for regular expenses
- Stay under the fee free transactions limit on your account
- Avoid credit of any type, especially high interest accounts, pay day loans and 'buy now pay later' offers
- If you do have credit cards, pay them off as quickly as possible to avoid paying interest
- Check every bill, account and statement to make sure it's correct
- Keep separate 'spending money' and 'bill paying money'
- If things are beginning to feel like they're getting out of control, talk to a financial counsellor BEFORE things become any more difficult

# Spending Diary

To help you check what you're actually spending, try using the Spending Diary for a pay period. A Spending Diary is a small notebook where you record ALL the money you spend in a pay period. It's best to link your spending diary to your pay period. Most people do their diary for a weekly or fortnightly period.

In your notebook, record every purchase you make. The best way to do this is to make a record after each purchase. Don't try and change your spending in any way over the week or fortnight, just record what you're actually spending. This helps as a reality check, as people often spend more than they think they do.

## For Example

Donna's Spending Diary for Week One

### Monday

- \$20 Petrol
- \$4 Doughnut, coffee at shops with a friend
- \$110 Groceries
- \$8.50 Cardboard and ribbon for school project
- \$20 MyWay card
- \$30 Paid \$30 off phone bill
- \$6 Spice (for dinner, which she forgot to buy in groceries \$2.50) and ice creams (because the kids were nagging her while she looked for the spices!)

### Tuesday

- \$4.75 Magazine
  - etc, etc..
- 

Donna would continue to record everything she buys for the two weeks and add up what she has spent at the end. She can then check this against what is allocated on the budget sheet for the items she is spending money on. She can then alter her spending habits to fit her budget.

A Spending Diary can be a good way to help prepare to do a budget or it can be used as a way of checking from time to time, to see what's really happening with your money, especially if things are getting out of control.

Make sure to write down everything that you spend money on. Don't be put off if you think that you're spending too much! The only way to set up or maintain a realistic budget is to see how your income matches up to what you're actually spending. This can help you see where you need to cut back, put more money towards other things or make different choices about how your money is allocated. It's best not to keep a running total and only add up what you have spent when you finish the Spending Diary. That way you get a true reflection of your spending. It can be a bit difficult but it's best to be honest.



**A spending diary is a good way to help prepare to do a budget or to see what's really happening with your money.**

A Spending Diary can also help you identify places that you may need to stay away from to help control your spending. For example, If you're always popping into the supermarket without planning what you need and making a list, you'll be able to see this reflected in your Spending Diary.

If you have an iPhone or iPad you can also download the Australian Securities and Investment Commission's (ASIC) money smart free app, TrackMySpend, if this is an easier way for you to record your spending.

You need to know what you're doing now, in order to make changes if you have to. Good Luck!

## What about Debts?

This section only provides general information about debts. Care Inc. also produces a booklet called 'Surviving Debt' if you would like more detailed information about how to manage debts.

Remember to firstly do your budget to see what capacity you have to pay any debts. Once you know what your situation is and have worked out what is affordable, contact the creditor to discuss how to come to an agreement. Always remember that if you are going to talk to a creditor:

- Be sure you legally owe the debt and that the amount that is stated on the account or bill is correct
- Gather as much information as possible before making contact

- Know your rights as fully as you can (for example if you are in financial hardship you may be able to make reduced payments or make other arrangements on some debts for a while)
- Have all your documentation in front of you
- Know what you want to achieve from the conversation
- Complete your budget/money plan beforehand so you know how much you can afford to pay and only offer this amount
- Always confirm any arrangements in writing, noting dates and the other person's name and title
- Don't be coerced into an agreement that you will not be able to keep. Use your budget/money plan as a guide as to how much you can afford to pay
- Don't lose your temper!

If you still can't resolve a deficit or make acceptable arrangements with your creditors, talk to a financial counsellor to see what other options may be available to help you.

## Some useful contact details

### Care Inc. Financial Counselling Service and the Consumer Law Centre of the ACT

Ph (02) 6257 1788  
Info line 1800 007 007  
Web [www.carefcs.org](http://www.carefcs.org)

---

### General

#### Women's Information & Referral Centre

Ph (02) 6205 1075 or (02) 6205 1076  
Web [www.wirc.act.gov.au](http://www.wirc.act.gov.au)

#### Citizen's Advice Bureau

Ph 6248 7988  
Web [www.citizensadvice.org.au](http://www.citizensadvice.org.au)

---

### Legal

#### Welfare Rights and Legal Centre

Ph 6218 7900  
Web [www.welfarerightsact.org](http://www.welfarerightsact.org)

#### Women's Legal Centre

Ph (02) 6257 4499  
Web [www.womenslegalact.org](http://www.womenslegalact.org)

#### Legal Aid ACT

Ph 1300 654 314  
Web [www.legalaidact.org.au](http://www.legalaidact.org.au)

#### ACT Civil and Administrative Tribunal

Ph 62071740  
Web [www.acat.act.gov.au](http://www.acat.act.gov.au)

---

### Emergency Relief

#### St. Vincent De Paul

Ph 62822722  
Web [www.vinnies.org.au](http://www.vinnies.org.au)

#### Salvation Army

Ph 62473635  
Web [www.salvos.org.au](http://www.salvos.org.au)

#### St John's Care

Ph 62487771

---

### Housing

#### Tenants' Advice Service

Ph 6247 2011  
Web [www.tenantsact.org.au](http://www.tenantsact.org.au)

#### First Point Central Intake Service

Ph 1800 176 468  
Web [www.firstpoint.org.au](http://www.firstpoint.org.au)

---

### Budgeting information

#### MoneySmart

Web [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

#### Financial Counselling Australia 'Debt Self Help'

Web [www.debtselphelp.org.au](http://www.debtselphelp.org.au)

---

### Counselling

#### Relationships Australia

Ph 1300 364 277  
Web [www.relationships.org.au](http://www.relationships.org.au)

#### Lifeline

Ph 13 11 14  
Web [www.lifeline.org.au](http://www.lifeline.org.au)

#### G-line (Gambling Helpline)

Ph 1800 858 858  
Web [www.olgr.nsw.gov.au/gaming\\_rgf\\_g-line.asp](http://www.olgr.nsw.gov.au/gaming_rgf_g-line.asp)

## **Mission Australia Gambling Counselling and Support Services**

Ph 1800 888 868

Web [www.missionaustralia.com.au](http://www.missionaustralia.com.au)

---

## **Energy**

### **Outreach Energy and Water Efficiency Program**

Web [www.assistance.act.gov.au](http://www.assistance.act.gov.au)

---

## **Complaints**

### **Telecommunications Industry Ombudsman**

Ph 1800 062 058

Web [www.tio.com.au](http://www.tio.com.au)

### **Financial Ombudsman Service**

Ph 1300 78 08 08

Web [www.fos.org.au](http://www.fos.org.au)

### **ACT Ombudsman**

Ph 1300 362 072

Web [ombudsman.act.gov.au](http://ombudsman.act.gov.au)

### **Office of Fair Trading**

Web [www.ors.act.gov.au](http://www.ors.act.gov.au)

---

## **Centrelink**

Family Assistance Office 13 61 50

Disability, Sickness and Carers 13 27 17

Youth Allowance 13 24 90

Newstart 13 28 50

Age Pension 13 23 00

Web: [www.centrelink.gov.au](http://www.centrelink.gov.au)

---



Helpline 1800 007 007

Admin 02 6257 1788

Email: [admin@carefcs.org](mailto:admin@carefcs.org)

Level 1, Waldorf Apartments

2 Akuna Street

Canberra ACT 2601

**Care inc.**

serving the Canberra community for  
over 30 years.

**[www.carefcs.org](http://www.carefcs.org)**