

# Money Management Plans

A guide to help you make the most of your money  
and  
to help manage your financial situation

## What is a Money Management Plan and why do I need one?

If you can start to manage your money and understand your spending habits, it will be easier for you to see where all of your money is going.

If you are finding it difficult to make ends meet by the end of the week, writing down how much money is coming into the household (*Income*) and how much you spend (Expenditure or *Outgoings*) will make it easier for you to see where you might be able to change some things to make it easier financially.

Once you can see where your money is going and what you are spending it on eg: bills, groceries, education, rent etc. then you can work out what is left over for other things like DVD's, Pet food and Entertainment.

Money Management Plans can help you to:

- Choose the way you manage your money.
- Help you make informed choices about how you spend your money.
- Help you to see where all of your money is going and to make choices about what's important.
- Avoid large bills and owing utility companies money (eg: Phone, Gas, Electricity, Internet providers)
- Set goals to save for something special.

Money Management Plan - DO List	Money Management Plan - DON'T List
<ul style="list-style-type: none"> <li>• <b>DO</b> include <u>all</u> of your Income and Outgoings in the Money Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DON'T</b> get upset if your plan is not working straight away. Changing your spending habits takes time so your plan might just need a little re-adjustment. Keep going and remember that it will get easier.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>DO</b> update your Money Management Plan as your circumstances change eg: If your child moves onto Secondary school.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DON'T</b> try to 'hide' costs or spending from yourself just to make it look like your Money Management Plan is working. It is better to write it all down than to try and remember those 'other' things you bought.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>DO</b> include small items that you usually get from the corner shop like milk and bread.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DON'T</b> worry if you find yourself in a financial situation and you don't know what to do. Ask for help or see a financial counsellor or budget worker.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>DO</b> include the money you spend on Pets in the Money Management Plan as well.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DON'T</b> compare your Money Management Plan to anybody else. Each plan is different and can change depending on individual needs.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>DO</b> realistically estimate what certain things will cost if you don't know exactly eg: If you are going out for lunch with friends, be realistic about how much it will <i>really</i> cost.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DON'T</b> get yourself down if it feels like it is really, really hard. Remember that there are thousands of people who are struggling to make ends meet but <b>YOU</b> are learning to make informed choices about how you spend your money.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>DO</b> include a section for unexpected costs like car repairs or illness.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>DO</b> include items for yourself in the Money Management Plan.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>DO</b> keep in mind that your 'Entertainment' section must include any spending that is <u>NOT part of your basic daily life</u> eg: Hiring DVD's, ordering take away or meeting friends for coffee.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>DO</b> remember to include any other debts you may already have eg: Centrelink Advances etc.</li> </ul>	

Money Management Plans are not set in stone, they will need to be updated as your circumstances change and it's OK to adjust them as you need to.

Everything in relation to money and personal finances can be recorded in a Money Management Plan so you can track all of your Income and Outgoings in the one place. You can keep it in a notebook or keep it as a file on your computer.

Remember that you will need to keep all of your figures in the same time frame eg: per week, per fortnight or per month etc. so that you are comparing the right amounts. It's no good if you enter your *weekly* pay into the Income Column then enter your *monthly* power bill figure into the Expenditure / Outgoings Column. Keeping everything in the same time frame means that it will be easier for you to keep track of your budget.

### Example Money Management Plan

<b>INCOME (Examples)</b>		
Description	Amount Per week / fortnight / month <i>(Choose ONE timeframe only)</i>	Notes
Paid Work		
<i>Wages</i>	\$600.00 p/w	<i>From &lt;date&gt; to &lt;date&gt; (After Tax)</i>
<i>Travel Allowance</i>	\$2.00	
<i>Meals Allowance</i>	\$3.00	
Government Benefits		
<i>Centrelink Payment</i>	\$4.00	<i>Newstart Allowance</i>
<i>Centrelink Payment</i>	\$5.00	<i>Parenting Payment</i>
Other		
<i>Child Maintenance Payment</i>	\$6.00	
<i>Child Minding</i>	\$7.00	<i>Friends Children after School</i>
<i>Ballarat Market Sales</i>	\$8.00	<i>Stall at Showgrounds every Sunday</i>
<i>Child Maintenance</i>	\$0.00	
<i>Board (Paid to you)</i>	\$0.00	
<b>TOTAL INCOME (A)</b>	<b>\$635.00</b>	
<b>EXPENDITURE / OUTGOINGS (Examples)</b>		
Groceries		
<i>Supermarket Shopping</i>	\$70.00	
<i>Bread / Milk / Newspaper from nearby shop</i>	\$6.00	
Housing		
<i>Rent / Mortgage / Board</i>	\$120.00	
Utilities		
<i>Electricity</i>	\$ 40.00	
<i>Gas</i>	\$10.00	
<i>Water</i>	\$0.00	
<i>Phone</i>	\$15.00	
<i>Mobile Phone</i>	\$0.00	
<i>Internet</i>	\$0.00	
Transport		
<i>Car Registration</i>	0.00	
<i>Petrol</i>	\$60.00	
<i>MYKI</i>	\$0	

Insurance		
<i>Car</i>	\$0.00	
<i>House</i>	\$0.00	
Children's Activities		
<i>Swimming Class</i>	\$15.00	
<i>Football</i>	\$15.00	
Education		
<i>School Fees</i>	\$0.00	
<i>School Books</i>	\$0.00	
<i>Uniforms</i>	\$0.00	
Loan / Credit Cards		
<i>Repayment</i>	\$40.00	<i>Car Loan</i>
<i>Repayment</i>	\$0.00	<i>Credit Card</i>
Medical		
<i>Prescriptions / Medications</i>	\$0.00	
<i>Appointment Costs</i>	\$0.00	
Entertainment		
<i>Friday night take away</i>	\$45.00	
<i>New Release DVD / CD</i>	\$5.00	
Pets		
<i>Food</i>	\$10.00	
<i>Flea Control</i>	\$0.00	
Other Debts		
<i>Borrowed money from friends</i>	\$0.00	
<i>Borrowed money from family</i>	\$0.00	
<i>Layby</i>	\$4.00	
Other Costs		
<i>Child Support Payments</i>		
<i>Pocket Money</i>	\$0.00	
<i>Cigarettes / Alcohol</i>	\$32.00	
<i>Hairdresser</i>	\$0.00	
<i>Fines</i>	\$0.00	
<i>iTunes</i>	\$0.00	
Unexpected Costs		
<i>Unknown</i>	\$20.00	
<b>TOTAL EXPENDITURE (B)</b>	<b>\$522.00</b>	
INCOME (A) – EXPENDITURE (B) =	<b>\$635.00 (A) – \$522.00 (B) =</b>	
Money left over or Money owed (C)	<b>\$113 (C)</b>	