

Household budgets

Factsheet

What is a budget?

A budget is a written plan that helps you know how much money you have coming in and what you need to spend it on. It helps you keep track of what you are spending.

What is in a budget?

- ▶ Your income – how much money you have coming in and where it comes from (for example, wages or from Centrelink).
- ▶ Your expenses – how much money you spend and where you spend the money (for example, on bills, food and school fees).

Budgeting means you can:

- ▶ keep a regular check on where your money goes
- ▶ pay for the things you need such as food and your current bills
- ▶ prepare for emergencies and unplanned expenses
- ▶ save for something special
- ▶ decide as a family how to spend your money

Remember

- ▶ A budget is a written plan that helps you know how much money you have coming in and what you need to spend it on.
- ▶ A budget helps you keep track of what you are spending.
- ▶ For a budget to work you need to follow it.

Where to get help and more information

If you have money problems, contact a free Financial Counsellor on 1800 007 007.

For more information about financial counsellors, or to complete the online budget planner, visit ASIC's MoneySmart website, moneysmart.gov.au, or call a Centrelink Financial Information Service Officer on 13 23 00 to get help to plan your budget.



Making a budget work for you

Atem and Arop do not have a budget for when they shop at the supermarket. They write what they need on a shopping list but once in the supermarket it does not take long for them to disagree over what to buy. Arop wants to only buy what is on the list but Atem always wants to buy extra food and sometimes things they do not need, like treats.

One day when they went shopping, Atem put a few extra items in the trolley that were not on the list because they were on sale. When they had to pay, the total came to \$70 and Arop had only brought \$30 with her. She was embarrassed and had to leave the extra food at the supermarket because they could not afford to pay for it.

After discussing ideas, Atem and Arop decided to prepare a budget so they know how much they can spend a week at the supermarket. They decided to keep to the budget. They did this and when they shopped for food they were never embarrassed again by having more in their trolley than they could afford to pay for.

