

Budget Planner

- Reclaim your lost cash flow!

Let me be presumptuous and take a guess as to why you are taking the time to read this report; you either are finding it increasingly hard to meet all of your regular financial commitments or you would very much like to be able to better manage your finances and free up some extra dollars each month for investment, or even for lifestyle purposes!

Please let me cut straight to the chase - you have only two options; you can spend all your time blaming others for your financial woes or you can take responsibility for your situation and focus on better managing your own finances. I know it sounds a bit harsh but if you think about it for a moment there is really only one person that can help you get back on track - YOU!

So how does one get back on track? Well the only way to get back on track is to improve your cash flow!

Ok, so if cash flow is king what can you do to immediately improve your cash flow? Well, you need to either focus on increasing your income or decreasing your expenses. Even though I recommend that you work on improving both of these areas if you want to make an immediate improvement to your cash flow you must first focus on managing your expenses.

Expenses are the single biggest killer of cash flow! In fact, for some people even a small shift increase in their monthly loan expenses can mean the difference between being able keep their head above water and sinking into financial trouble. So what can you do about it?

Here are five tips to help you to decrease your expenses and take back control;

1. Look at fixing your loan interest rate so that regardless of any further rate rises you'll know that your repayments will stay at the same affordable amount.
2. Consider refinancing your loan to another lender that has a cheaper interest rate or consider changing the type of your loan product from fee heavy Line of Credit or Offset Loan to a no frills basic loan.
3. Try and consolidate all of your high interest loans and credit cards into your low interest home loan. This will significantly reduce your monthly commitments thereby freeing up more of your income.
4. Temporarily convert your loan from principal & interest repayments to interest only repayments.
5. Develop a Budget [one of the oldest solutions but still one of the best!]

While tips 1-4 can help you to improve your monthly cash flow the best solution by far is to learn how to better manage your own finances. Having said that, few things strike more fear into the hearts of people than that dreaded word 'budget'.

We all know we need one, a few of us actually have one, and fewer still manage to live within it. So why is it so intimidating?

- Is it because you've tried and failed in the past?
- Did you set a budget which was way to constrictive? - It's no fun eating baked beans and toast every day!
- Maybe it seems like such an overwhelming task that you don't even want to start thinking about it.
- Maybe you don't actually know where to start. Maybe you think that it will require hours and hours to do.
- Maybe you're afraid of your money; after all, it seems to pretty much rule your life - you may get up thinking about it and go to bed thinking about it.

Whatever your reason, there has been no better time to take positive action and get back control over your finances!

To help you get started we have compiled the following budget building guidelines;

1. Where do you spend your money?

The first step is to prepare a budget worksheet. You can make one yourself, or use a pre-made form. To make your own, just write down your income in one column and your expenses in another column, and then compare the two.

If you would like to use a pre-made budget form you are welcome to use the **Urbantech Finance Budget Planner** attached to the end of this report.

2. Calculate your saving potential

Once you know where your money is going you'll be surprised at how easy it is to find ways to reduce your expenses without reducing your lifestyle. After all it's no fun staying home every night!

Once you have completed your budget planner calculate the amount of income you should have left over each month [Try to aim for an amount that is at least 5-10% of your post tax income] The amount left over is what you will need to save each month.

Note: being able to save is ideal but if you are in financial difficulty aiming to break even may be a great starting point

3. Pay yourself first

Every time you get paid transfer the amount you calculated you could save into a separate account so you don't touch it [eg, a savings account or your home loan account]. If you have correctly budgeted your left over income will comfortably cover all of your expenses [including your social and luxury item expenses]. To ensure that you stay on track consider setting up an Automated Savings Plan. So rather than transferring the money manually each month get your bank to set up a regular direct debit.

4. Stick to the budget

Make sure you stick to the budget and don't over spend. If you have allocated \$150 for eating out each month don't spend \$500. Remember a good budget needs to factor in emergency or unpredictable expenses. If you have money left over at the end of the month in addition to your savings try and create a sinking fund rather than just spending it.

5. Mind your own business

Track your spending habits for at least 30 days to see if you are staying on track. Keep receipts for every purchase you make and make note of what you spend your cash on. Consider using software packages such as Microsoft Money, MYOB or Quicken to help you better track your ongoing bills and expenses. The ultimate goal is to start running your personal finances more like a business.

6. Revisit your budget

Continue to review your budget on a regular basis. Life is not static and so you will need to make changes to your budget from time to time.

Once you have followed these steps you will realise that budgeting is not something to be feared. Rather than thinking a budget forces you to live a deprived life you'll realise that it can actually do the opposite. In fact, a good budget can truly set you free - free from the financial concerns of trying to meet your mortgage repayments or the worries of not being able to save up or put aside enough money for a rainy day.

For assistance in creating a budget that works please call Urbantech Finance on **08 8451 1500**



Client Names:

Income	Frequency	Amount	Annual Amount
Net Salary & Bonuses	<input type="text"/>	<input type="text"/>	<input type="text"/>
Investment Income [rent, dividends]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Allowances	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other Income	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL INCOME			<input style="border: 2px solid orange;" type="text"/>

Expenses

Motor Vehicle/Transport.

Petrol	<input type="text"/>	<input type="text"/>	<input type="text"/>
Registration, Maintenance, Repairs	<input type="text"/>	<input type="text"/>	<input type="text"/>
Public Transport, Taxis, Parking	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>

Living Expenses.

Rates [Council, Water]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Utilities [Telephone, Electricity, Gas]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mobile Phone	<input type="text"/>	<input type="text"/>	<input type="text"/>
Home Maintenance	<input type="text"/>	<input type="text"/>	<input type="text"/>
Groceries [Food, Household]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Medical & Pharmaceutical	<input type="text"/>	<input type="text"/>	<input type="text"/>
Clothes & Shoes	<input type="text"/>	<input type="text"/>	<input type="text"/>
Education [School Fees, Child Care]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Luxuries [gifts, holidays, furniture]	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>

Leisure/Entertainment.

Restaurants, Cafés, Take away	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sports, Hobbies, Club Memb	<input type="text"/>	<input type="text"/>	<input type="text"/>
Magazines, Books, CD's, DVD's	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insurance/Superannuation.

Life/Income Protection	<input type="text"/>	<input type="text"/>	<input type="text"/>
Health	<input type="text"/>	<input type="text"/>	<input type="text"/>
Superannuation	<input type="text"/>	<input type="text"/>	<input type="text"/>
Home & Contents	<input type="text"/>	<input type="text"/>	<input type="text"/>
Car, Boat, Caravan, Trailer	<input type="text"/>	<input type="text"/>	<input type="text"/>

Loans/Credit & Store Cards.

Mortgage 1 or Rent	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mortgage 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Personal Loans	<input type="text"/>	<input type="text"/>	<input type="text"/>
Credit Cards	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>

TOTAL EXPENSES