



BUDGET

FACT SHEET



ABOUT US:

Your Budget Wizard is a debt mediation service that specializes in budgeting for households to get you out of debt and on the path to financial freedom. Our App means that you have control of your finances at the touch of a button. Our Alerts stop you overspending and keep you on track.

Our real time app keeps you in control of your money. The wizard helps you to stop stressing and start living.

Why Budget?



Based on Reserve Bank of Australia statistics, the average Australian credit card holder pays around \$700 in interest per year if their interest rate is between 15 to 20%.

The average debt per credit card holder in Australia is \$4344.89 (paying \$730.81 interest per annum).

There are 7,364,000 credit card holders in Australia (Source: Roy Morgan, rolling average for the year ending June 2015).

These statistics highlight the need to monitor your actual and budgeted spending in the short and long term by maintaining a budget.

What is a Budget?

A budget is a plan of your forecasted income, expenses and savings over a determined period. A budget allows you to plan your expenses so you are living within your means. It also allows you to plan for savings and debt reduction.

A good budget ensures that your bills are paid on time, you have enough money to cover expected and unexpected bills and reach your financial goals.

Many people struggle with budgeting and view it as a necessary evil. As you continue to budget, you learn how to make better financial decisions as a result. Part of the budgeting process is questioning your spending habits.

It is a good idea to maintain a spending diary to see what you are spending your money on before you create your budget.

Steps to Creating a Budget

Step 1

Calculate your projected income from all sources including wages, bank interest and Centrelink benefits.

Step 2

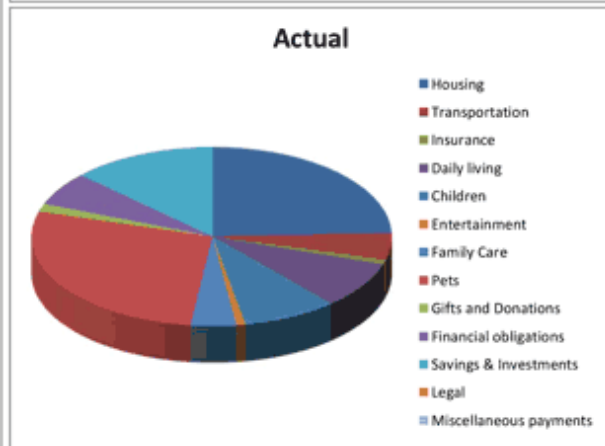
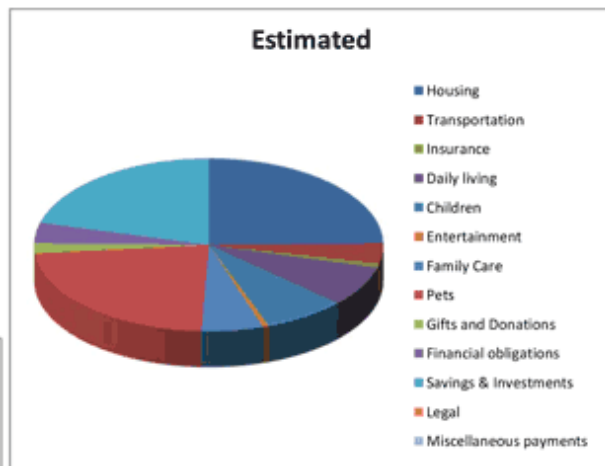
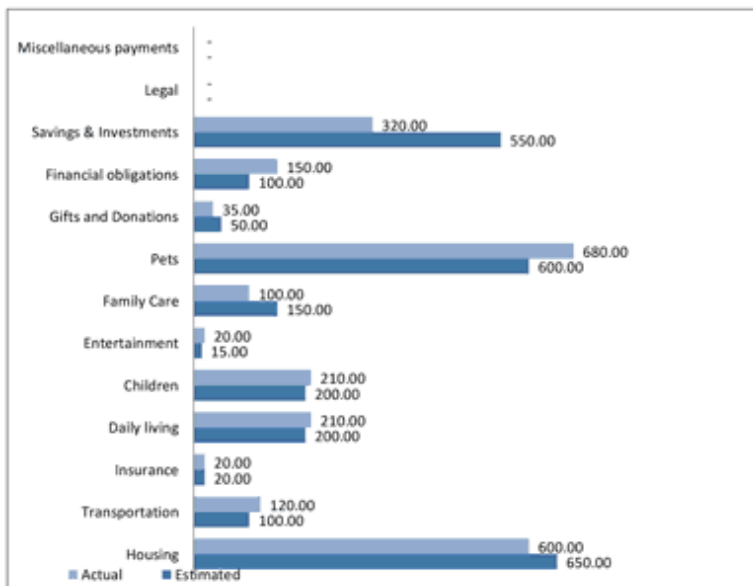
Analyse your monthly spending habits and summarise the expenses that you expect to incur.

Step 3

Deduct budgeted expenses from budgeted income to calculate your surplus which can be allocated toward your savings goals such as saving (eg 10 % of your income) and debt reduction. The hard part of budgeting is sticking to your budget so make sure you allow for a reward occasionally.

Your Budget Wizard has an alert system inbuilt into the App to message you when you overspend on a category so you can decide not to make that purchase or you can change your budget accordingly.

	Estimated	% of TOTAL	Actual	% of TOTAL	Difference
Housing	650.00	24.7%	600.00	24.3%	50.00
Transportation	100.00	3.8%	120.00	4.9%	(20.00)
Insurance	20.00	0.8%	20.00	0.8%	-
Daily living	200.00	7.6%	210.00	8.5%	(10.00)
Children	200.00	7.6%	210.00	8.5%	(10.00)
Entertainment	15.00	0.6%	20.00	0.8%	(5.00)
Family Care	150.00	5.7%	100.00	4.1%	50.00
Pets	600.00	22.8%	680.00	27.6%	(80.00)
Gifts and Donations	50.00	1.9%	35.00	1.4%	15.00
Financial obligations	100.00	3.8%	150.00	6.1%	(50.00)
Savings & Investments	550.00	20.9%	320.00	13.0%	230.00
Legal	-	0.0%	-	0.0%	-
Miscellaneous payments	-	0.0%	-	0.0%	-
TOTAL	2,635.00		2,465.00		170.00



Budget Review

It's important you review your budget plan regularly. This will help you make sure you are following your budget and will allow you to identify expenses that you may not have factored in.

Your budget needs to be flexible and adjusted to suit your circumstances.

Tips

Tips to help you budget:

- Pay bills by direct debit
- Schedule a transfer each month for savings into an account with no keycard access
- Reduce your credit cards to one
- Reduce your credit limit
- Pay your credit card within the interest free period
- Use a debit card so what you are spending is using your own funds
- Start a Christmas club account to cover the additional cost at Christmas

It is important to use a calendar to clearly mark due dates of upcoming payments each month. Your budget should be realistic and also flexible to allow for any change in your circumstances. By setting a realistic budget you can also reward yourself for meeting your goals along the way.

Budgeting means looking towards the future. Most people struggle to budget on their own. That's where Your Budget Wizard comes in – we are with you every step of the way.

