



**mylife**  
**my money**

[www.mylifemymoney.co.za](http://www.mylifemymoney.co.za)

*Helping you make the most of your finances*

## **Reminder**

*Don't forget to do your  
monthly budget!*



*A Consumer Financial Education Initiative  
Powered by the Financial Services Board*

## Why is budgeting so important?



Preparing (and sticking to) a budget is an essential part of responsible money management.

Whether you just have a few financial responsibilities or if you're responsible for paying all your household expenses, knowing how much money you have and understanding where your money is spent are the first steps toward achieving financial independence.

Budgeting allows you to create a spending plan for your money. It ensures that you can have enough money for the things you need and the things that are important to you. Following a budget or spending plan will also assist you to manage your debts.

Budgeting is an important step to determine your financial health and to create financial stability. A budget helps you to live within your means.

For more tips on budgeting and how to make the most of your money, visit [www.mylifemymoney.co.za](http://www.mylifemymoney.co.za).

*"Never spend your money before you have it." ~Thomas Jefferson*

## Tips for making budgeting easier

1

Set financial goals you want to achieve.

2

First pay for the things you need. Then buy the things that you want, if you can afford them.

3

Always be honest with yourself when drawing up a budget.

4

Avoid unnecessary credit.

5

Keep a record of all your slips and reconcile them to your budget.

6

Make sure you budget enough for savings.

7

Watch out for impulse purchases.

8

Make budgeting a family affair.

*"What gets measured, gets managed."~ Peter Drucker*

## Definitions



*It is important  
to know what  
the following  
terms mean*

- Budget:** A plan that details how you are going to spend your income.
- Changing costs:** Costs that change from month to month. For example, electricity, airtime, transport, etc.
- Deficit:** When you spend more than you earn, you will have a deficit (negative balance).
- Expenses:** Everything you have to pay.
- Fixed Costs:** Costs that do not change every month. For example, your monthly rent or bond payment.
- Income:** Your earnings. For example, your salary, grant, pocket money, overtime income, etc.
- Needs:** Things you cannot live without. For example, food, water, shelter, clothes, etc.
- Surplus:** Money you have left over after you have paid all your accounts and bills.
- Wants:** Things you can live without. For example, branded clothing, smart phones, take-aways, etc.

*"A penny saved is a penny earned." ~ Benjamin Franklin*

## Vicki's Budget

Vicki works as a store cashier for Edwards clothing store. Vicki earns R2 200 a month. She is a single parent and has one child, Lebo, who is 3 years old. She rents a room in a house. She shares electricity costs and buys her own groceries. The following is Vicky's budget:



### Fixed Costs

Rent	R 200
Money for mother	R 150
Crèche fees	R 250
Furniture shop	R 150

**TOTAL FIXED COSTS** R 750

### Changing Costs

Clothing Account	R 230
Electricity	R 90
Groceries	R 500
Airtime	R 60
Take away food	R 60
Transport	R 250

**TOTAL CHANGING COSTS** R 1 190

**TOTAL INCOME** R 2 200

LESS COSTS (R750+R1190) = (R 1940)

Surplus or Deficit R 260

*Vicki has a surplus after all her bills are paid. She can save this towards Lebo's education*



*"He who does not economise will have to agonize." ~ Confucius*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"A journey of a thousand miles begins with a single step." ~ Lao-tzu*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"Money should be mastered, not served." ~ Syrus Maxims*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"You must learn to save first and spend afterwards." ~ John Poole*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"Build your savings by spending less each month." ~ Suze Osman*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"The best way to save money is not to lose it."~ Les Williams*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"A goal is a dream with a deadline." ~ Napoleon Hill*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"We make ourselves rich by making our wants few." ~Henry Thoreau*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"If saving money is wrong, I don't want to be right." ~ William Shatner*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"Ambiguity depletes as your budget rises." ~ Tony Gilroy*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"Money won't create success, the freedom to make it will." ~Nelson Mandela*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"When you have money, think of the time when you had none." ~ Proverb*



## My Monthly Budget: Month \_\_\_\_\_

Description	Budget amount	Actual amount
Income		
Subtotal		
Expenses		
Fixed costs		
Subtotal		
Changing costs		
Subtotal		
Total income		
Less total expenses		
Surplus/deficit		

*"You either own money or it owns you." ~ Unknown*



## Smart money tips

Beware of the dangers of credit

Watch out for quick-rich schemes and scams

Shop around for financial products to suit your needs

Only deal with authorised financial services providers

Record all transactions—even the small things cost money

Set achievable financial goals

Save for the things you want and pay cash for them

Plan for your retirement from an early age



Save for rainy days

Keep up-to-date with your changing financial needs

Start budgeting today!

Insure your assets



Keep track of what you spend by keeping your receipts and slips here.



## *Contact us*

Visit [www.mylifemymoney.co.za](http://www.mylifemymoney.co.za) to download a free budget template or for more tips on how to make the most of your money.

Contact our call center-toll-free 0800 202 087/0800 110 443 to find out if your financial services provider, burial society or insurance company is authorised with the Financial Services Board (FSB) or  
E-mail: [info@fsb.co.za](mailto:info@fsb.co.za)



**mylife**  
**mymoney**

[www.mylifemymoney.co.za](http://www.mylifemymoney.co.za)

*Helping you make the most of your finances*



Disclaimer

This booklet is the property of the FSB. Permission for replication or use must be obtained from the author in writing and addressed to the HOD, Consumer Education Department of the Financial Services Board, PO Box 35655, Menlo Park, 0102, via E-mail [CED.Consumer@fsb.co.za](mailto:CED.Consumer@fsb.co.za) or call (012) 428 8000

©2014