

## More month at the end of your money?

If you have more expenses than income, you need to check your spending and make some adjustments because the month hasn't finished, but your money has. You have more month at the end of your money, when you should have more money at the end of the month. If you regularly find yourself in that situation, you need to reduce your expenses.

If you have loans and are having trouble paying them off, talk to your lender to see if you can reduce your payments or how best they can accommodate your situation.

If you can't cut back on your expenses, you may have to look at ways to increase your income, such as starting a small business or getting a second job. You can also ask for a raise in your salary; just make sure that you actually deserve the raise and that you can justify asking for the salary increase.

Budgeting can lead you on the path to financial freedom.



**MONEY MATTERS** BVI

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No matter who you are, how you manage your money can affect your quality of life. Money problems are a leading cause of stress which, in turn, can lead to high anxiety, poor health and relationship failure. Taking care of your money, planning how you spend and save for the future or for a rainy day, can lead to peace of mind. **Budgeting is simply a plan for how you intend to spend and save your money.**

- Do you keep track of your spending?
- Are you wasting money?
- Are you growing your money?
- Do you know that “money doesn’t grow on trees?”
- Do you behave as if you can go out in your yard and pick some money off a tree?

Knowing how much money you earn and spend each month puts you in a better position to save and plan for the future. Use the *Make Your Money Work for You Budget* to help.

## What is your monthly income?

First, start by determining what your monthly income is. Use your net pay, which is the amount you take home after taxes, Social Security and other deductions. Include all sources of income; for example, if you have a second job, a rental property, or receive child support or alimony, these should also be added to your monthly income.

## What are your monthly expenses?

Next, determine your monthly expenses or the amount of money you spend each month. Some expenses, like your mortgage, car payments, child support and student loans are fixed, that is you are required to pay the same amount every month at the same time of the month. Others are more flexible. For example, the money you spend on food, electricity, beauty needs and entertainment may change from month to month. If an unexpected expense comes up, such as a doctor’s visit, you may want to

cut back on some flexible expenses for the next few months in order to balance your budget and make sure you are not spending more than you are earning.

## Small ways to save in your budget

- Save money by taking your lunch to work, rather than buying from a restaurant.
- Write down your grocery list and stick to it when you go to the supermarket. This will help to reduce impulsive and unnecessary purchases.
- Get special discounts - Some supermarkets have membership cards that offer discounts and other rewards for members. Most supermarkets also offer special discounts for seniors.
- Other business establishments give discounts not only to seniors, but also to police officers and other specialized workers.
- If you shop frequently at a particular supermarket or a particular business, find out about any discounts they may have that may include you.
- Noting what you spend each day for a month will give you a good idea of where your money is going and just how much that daily cup of coffee or bush tea is costing you on a monthly basis.
- Make sure you pay your bills on time so you don’t get hit with late payment or reconnection fees.

## More money at the end of the month?

Compare all your income to all your expenses. If your monthly budget shows you have more income than expenses, you should put at least half of that extra money in your savings account each month or invest it in a mutual fund or in some other way.

