

YOUR GUIDE TO BUDGETING



Only when you get real and honest with yourself about your spending habits can you truly get sharp about money. So, take out all your receipts, statements and credit cards, and **use this guide to begin your journey to financial awareness.**

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YOUR BUDGET

1

WHAT IS A BUDGET?

A budget is a plan of how to spend your money. It allows you to track your income (how much money is coming in) and your spending habits (how much money is going out).

2

HOW TO BUILD A BUDGET

Take some time to make a budget for yourself by filling in your **income** and your **expenses** below.

3

BE PREPARED

Gather the following documents that may be needed to create a budget:



Receipts



Bank Statements



Bills

4

INCOME

This is your **salary** or **net income**: The total amount you earn after deducting any tax, exemptions or deductions.

INCOME PER MONTH

R:

R:

R:

TOTAL

R:

↓
INCOME

R:

↓
EXPENSE

R:

SAVINGS

R:

Expenses:

These can be separated into necessities and luxuries.

NECESSITIES

These are essential items that you have to pay for, such as:

Rent/ bond payments	R:
Lights and water	R:
Groceries	R:
School fees	R:
Transport (petrol or taxi fare)	R:
Medical aid	R:
Insurance	R:
Cell phone	R:
Credit cards, store cards and loans:	R:
	R:
Other	R:
	R:
	R:

LUXURIES

These are non-essential items, or treats, such as:

Extra clothing and shoes	R:
Restaurant meals and drinks (including meals from canteens or vendors)	R:
Entertainment (movies, clubs, books, magazines, theatre shows)	R:
Other	R:
	R:

TOTAL

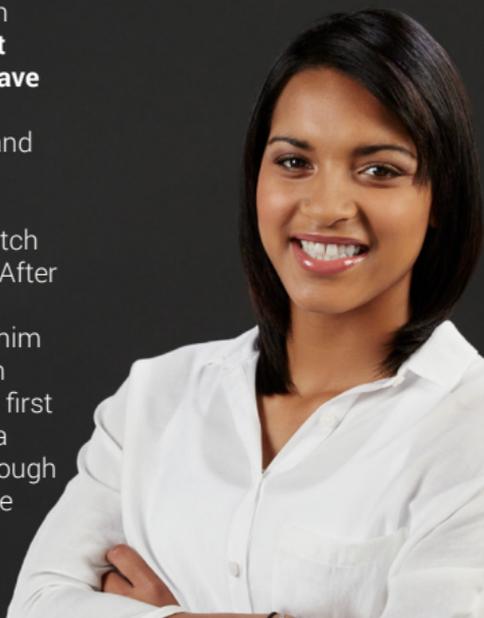
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Take a look at your total expenses compared to your total income - which is more? In order to save money, your expenses have to be less than your income. Can you see anywhere on your budget where you can cut down on your expenses so you can save money?

MARIA'S STORY

Maria Van Wyk, 25 | Student | Western Cape*

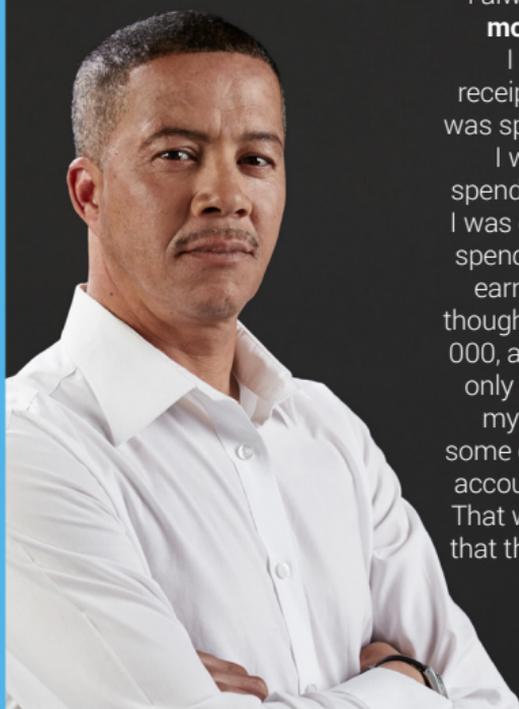
I really wanted to buy my boyfriend, Dominique, a new watch for Christmas, but I didn't know how I would be able to afford it. So, I built a budget in order to see where I could **cut down on my expenses and save more money**. I realise that all those lunches with the girls and trips to the hair salon added up. I also cancelled my DSTv subscription - I don't even watch half of those shows anyway. After a few months, I had not only saved enough money to buy him that watch, I also had enough money to start saving for our first home together. Hopefully, in a few years' time, we'll have enough money saved to buy the home we've always dreamed of.



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DAMIEN'S STORY

Damien Reynolds, 38 | Manager | Free State*



"I always seemed to be **spending more money than I earned**. So, I started keeping a trail of my receipts so I could analyse what I was spending my money on. Then, I wrote down how much I was spending compared to how much I was earning. I realised that I was spending more money than I was earning. I also learned that even though my gross income was R10 000, after tax, my net income was only about R8 000. So I adjusted my payments and cut down on some of my bills like my cellphone account and my shopping sprees. That way, I was able to make sure that the amount I spend is always less than the amount I earn."

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