

**THE
FINANCIAL
EXPERT**

| PENSIONS
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| PROTECTION



**A GUIDE FOR
PRACTICAL
BUDGETING**

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A GUIDE FOR PRACTICAL BUDGETING

MANAGING MONEY

So many people struggle with sticking to a budget and managing their spending because they start with a month-to-month salary survival approach.

FACT FILE

When you decide to put aside money each week, the next decision is where to put it. You should have approximately 4 times your salary in an easy access account that will allow you to access your money quickly.

For medium to long term savings, deposit accounts are not the best option as inflation will have a negative impact on these savings. You should seek advice from a Financial Broker about saving for the future.

It's far more effective to start with a purpose that's unique to your life goals and priorities:

- What are my goals?
- What will your money allow you to do in the next year, five years, or 20 years from now.

A budget is simply a spending plan that monitors both current and future income and expenses. Taking the time to manage your money better will pay off in the short and long term. It helps you to stay on top of your bills and save money each year. You can use extra savings to pay off any debts you might have or put them towards your future plans.

Using a budget will help you plan where your money should be going. It is important to track where your money is being spent and how frequently to help give you a clearer picture of your outgoing expenditure.

By keeping track of your spending for a couple of weeks, it will show you where your money is going. You might be surprised by what you're buying and what you can do without. The advantage of budgeting also helps you to figure out your long-term goals and work toward them.

While contactless 'tap and go' card payments provide for a convenient, cash free transactional shopping, it is also easier to lose track of what you are spending. By maintaining a budget, it will provide an overview of your spending habits and could help you rethink those spur of the moment purchases.

The CCPC provides a budget planning calculator which can be found through the link below:

[Budget Planning Calculator](#)

WHY MAKE A BUDGET

Everyone can benefit from making a budget regardless of your income.

Making a budget can help you feel better, less anxious, and more in control of your money. It can also help you to have more money for things that are important to you.

A budget will be beneficial if you:

- Want to make the most out of your money.
- Don't know where your money is going.
- Do not save regularly or have problems paying your bills or debts.
- Are planning for a major purchase or life event i.e.: a wedding or mortgage.



Tips To Help You Stick to Your Budget

To help you stick to your budget, you must review it from time to time and adhere to the following:

- Keep all of your receipts and bills.
- Keep your spending within the budget you have set.
- Update your budget if any changes in your life happen i.e.: increase or decrease in wages, bills increasing or decreasing.
- Compare your budget to what you actually spend at the end of each month to monitor what you can change in your spending.
- Designate a 'no spend day' once a week.
- Convert to on-line grocery shopping to avoid impulsive spending and to enable you to see how much your bill is in real time.
- Reduce the limit on your credit card to restrict hasty purchases.
- Sleep on any big purchase decision as sometimes taking a step back helps you to re-evaluate its necessity.

FACT FILE

You should review your budget from time to time to see how it's working and if anything needs to be altered. If your spending often varies from your budget, adjust the budget to make it more realistic to how you live your life.

Compare your budget to what you actually spend at the end of each month to monitor what you can change in your spending.

BUDGETING GOALS

Having a goal will change how you look and respect your 'hard earned' money.

You will start to see how every decision you make matters to your greater financial health and long-term financial targets. Whether you are saving for a holiday next year, paying off your credit card or starting an emergency fund, we all have different goals. When you have a goal in mind, you will find it is easier to stick to a budget.

FACT FILE

If you share your home with a partner, it is likely that you will have some shared expenses such as paying bills. You can still budget separately for yourself. In this case, you should open a joint account to manage your shared household expenses and make a budget separately yourself.

Examples of budgeting goals:

Short Term:

- Paying off your debt and becoming debt free.
- Cut non-essential spending.
- Saving for events such as Christmas, a wedding, a car, or holiday.

Short term goals should be deemed as goals between zero to three years.

Medium Term:

- Save for a deposit on a house or pay a lump sum off a mortgage.
- Saving for a child's education.
- Save for a family holiday or new car.
- Build up an emergency fund for life's unexpected hurdles.

Medium Term goals should be deemed as goals between three to ten years.

Long Term:

- Paying into a pension to save for income when you retire.
- Long term financial security.
- Future financial stability and independence.
- Create a long-term plan for your money.

Long term goals should be deemed as goals 10 years and over.

WHAT IS A FINANCIAL BROKER?

Clear. Concise. Professional Advice

A Financial Broker will work with you to understand your financial goals and helps you create a plan to meet your personal finance objectives.

Your local Financial Broker will work with you to get a complete picture of your assets, liabilities, income, and expenses. Financial Brokers are experts on financial planning matters and work on your behalf giving you a choice of products and providers from across the market. Their services can include personal financial planning, life cover, serious illness cover, income protection, health insurance, savings, investments, pensions, retirement planning, business financial planning, inheritance tax planning, mortgages.

Why would I need to use a Financial Broker?

Your Financial Broker will be able to explain the choices available to you in simple language allowing you to make an informed decision.

Financial Brokers are experts on financial planning matters and work on your behalf giving you a choice of products and providers from across the market.

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