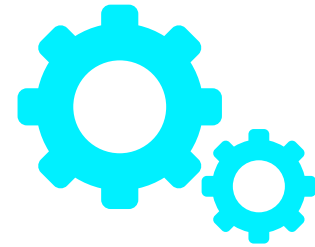




بنك المارية المحلي

Mbank



Self Help Tools



Quick Tools to help you set up your budget

Setting up a budget need not be daunting.
Here's a simple way to help you understand how to do this.

Step 1

Assess your monthly income.

Step 2

Work out your monthly expenses.
You will need to set up a 'Spending Diary' to track your spending habits.

Step 3

Classify your expenses into categories to understand them better.

Step 4

Compare your income with your expenses.
This will help you create a realistic and manageable budget.



Step 1: Assess your monthly income

Add all sources of monthly income

Track all monthly income and for this purpose use 'net' (take home) amounts rather than gross amounts. If the income is paid fortnightly, then consider the monthly equivalent of that amount.

Template to help you assess your monthly income

Sources of Income	Amount	Frequency Quarterly/ Weekly/ Monthly	Average Monthly Income
Salary /Wages			
Benefits			
Allowances			
Pension			
Maintenance			
Others			

Average Monthly Income

The main purpose is to accurately assess your

Step 2: Work out your monthly expenses

Set up a Spending Diary – capture all you spend for the month

Spend Diary - One Month

Day / Date	Reason for Spend [What did you spend the money on?]	Amount [How much did you spend]	Category [Do this at the end of the month] Eg. Housing / Health/ Fitness

Tracking and monitoring your spending is an important part of the budgeting process and needs discipline. Stick with it.

This way of tracking daily spends through the course of the month helps you understand where and what you are spending on.

The Spending Diary is the first step of tracking expenses. Record all expenses here and maintain this for a full month.

The category section can be filled at the end of the month when you review your expenses.

Total Amount Spent

AVERAGE MONTHLY SPENDS



Step 3: Categorise your spending to understand it better

Review your Spending Diary and categorise your spending to help you understand it better

All your spending can be grouped into the following broad categories.

This summarised information will help you understand you to better understand your spending patterns.

Spend Category	Total Monthly (average) spend
Housing [Rental/ Mortgage Installment/Property Tax/ Insurance]	
Debt Payments [Credit Cards/ Personal Loans/ Auto Loan]	
Utilities [Electricity, Gas, water, Telephone, WIFI]	
Food / Groceries	
Clothing/ Personal Grooming	
Transport [Fuel/vehicle maintenance/public transport pass]	
Health [Doctor/ Prescriptions]	
Recreation / Entertainment [Dining out/ Travel/ Movies /Club membership etc.]	
Others [Anything that does not fall under the above and may not be regularly incurred]	

**MONTHLY SPENDING
PATTERNS ON WHAT & HOW MUCH**



Step 4: Assessing Monthly Income vs. Monthly Expenses

Finally assess your monthly savings

TOTAL AVERAGE MONTHLY INCOME - TOTAL AVERAGE MONTHLY SPENDS

[Subtract Total average monthly spend from Total average monthly income]

If this value is >0 then this is your average monthly saving.

If this value is <0 then you must review your average monthly spends.

First review the summarised version of expenses by category – **STEP 3**

Identify categories that are abnormally high or odd

Review the Daily Spend Diary for these spends – **STEP 3**

Identify these expenses and act on them or curtail them

What gets measured gets managed!

You can now set up and manage your own budget