

My Money Plan

GETTING STARTED...

To put together your own money plan, you will need:

- All bills, statements, letters & receipts relating to your income (money coming in) and expenditure (money going out)
- Details of to who you owe money to
- Paper, pens, and a calculator
- Quiet time to focus, without any interruptions
- Maybe a friend or family member to do it with, or to give you help or support



Top Tip: Before you start your budget, you may find it useful to keep a spending diary for between a week and a month—recording everything you spend, no matter how small. You'll find it useful when you get to steps 2 and 3.

You will also need to decide whether to budget **weekly** or **monthly**. You can do either, depending upon when your money comes in and how you like to manage your money, but you may have to do some calculations to make all of your figures either weekly or monthly ones.

CHANGING MONTHLY AMOUNTS INTO WEEKLY

If you are making a weekly budget, but have monthly amounts for your income or expenditure, you can change them to weekly amounts:

Multiply the **monthly amount** by **12**. This gives you the annual (for the year) amount. Divide this by **52** and this now gives you the **weekly amount**.

For example, if you know that you spend £20 per month on your water bill, and want to know how much you spend in a week, multiply £20 by 12 months, to give £240 for the whole year. If you now divide £240 by the 52 weeks of the year, you get £4.62, which is what you spend on your water bill in one week.

CHANGING WEEKLY AMOUNTS INTO MONTHLY

If on the other hand you decide you want to do a monthly budget:

Multiply your **weekly figure** by **52** to get a yearly figure. Then divide by **12** to give you your **monthly amount**.

Now that you have everything you need for your money plan, you're ready to get started!

Illustrations courtesy of Sebastien Braun (2011)