

Financial



Financial Issues

FINANCIAL issues are all about money. Something we all want more of!

As you become more independent you will need to start paying for more things. You may have to start paying your parents board if you still live at home or start paying rent if you move out, and pay for other services such as electricity and gas. Don't forget about all the other things you want (CD's, clothes... the list is endless).

To spend money you need to earn money. You may earn money through your job but you might also be eligible for Centrelink payments (see the Centrelink Information Sheet).

Once you have worked out how you will be getting some money you need to think about how to make it last and what you want to use it for. BUT how about saving some of your money?

Why save money?

Most people save money so that they can buy something later that they really want. These things are often expensive such as holidays, a new stereo, a washing machine, a coat, jewellery...again an endless list! If you don't think about keeping some money in the bank it can be really hard to buy these big items when you want them.

What about debt?

Debt is the money that you owe other people. A credit card is a good example of debt. When you put an item on your credit card you do not pay for it straight away. Your credit card bill tells you how much money you owe the bank or financial institution that supplies the credit card to you. Until you pay off all the money on the credit card you have a debt.

Try to keep debt to a minimum.

A loan is also considered a debt because you owe someone else money. Most places that supply loans and credit cards also charge interest on the loan. Interest is an amount of money that you have to pay on top of the money you owe. If you do have a loan, or are thinking of getting one make sure you know how much interest you will have to pay. Many places have different interest rates so look around for the best deal. Make sure you understand everything before you sign for the loan. If you are not sure of something ask someone (like your parents) to help you work out what is the best deal for you. Most importantly make sure you can afford the repayments on the loan and the interest they charge.



Financial Issues

B

BUDGETING is all about making your money last. Budgeting helps you to have enough money to cover everything you need to pay for and even helps you to try to save some money. You do not have to earn a lot of money for a budget to be useful. It can be difficult to work within a budget but you may be amazed what you can afford if you budget!

Budgeting involves looking at:

- How much money you have to spend.
- What you are spending your money on.
- How much money you want to save.

Steps in making a budget

1. Keep a record of what you spend your money on for about two weeks. Write everything down in an exercise book and keep as many receipts (including ATM dockets) as possible. This will show you what you are spending your money on.
2. Gather all your latest bills, making sure you include the bills for your medication, the phone, electricity, gas, water, your mobile bill and any loan repayments you are making.
3. Find some help. Ask your parents or your case manager to help you fill out the budget planner. It can be a tricky process! After you fill out your budget these people can also help you stick to it. This can be just as tricky!
4. Have a calculator ready.
5. Fill out the budget planner. Write in each column the amount of money you spent, the time period for this amount, the calculated weekly cost.
Only fill out the columns of the items you spent money on, some columns may not be applicable to everyone.

Write in each column the amount you want to spend on each thing. Sometimes you can choose the amount of money you spend on an item, such as food, other items are set amounts, such as car registration costs.

6. Add up the columns. How did you go?
 - Did you have enough money to cover what you wanted to spend your money on?
 - Do you have any money left over to save?If you answered no, go back and decrease some of your expenses.
7. When you are happy with your budget put it somewhere you can see it daily so it can remind you to stay on track.

Remember that budgeting is not easy. It does take practice but you might just be able to afford something you really want if you stick to your budget. Most important though, you are in control of your money!



Financial Issues

My Budget

Expenses

EXPENSE	Actual Amount Spent	Period	Weekly Cost	What I want to spend
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HOUSEHOLD

Rent/mortgage	\$	\$	\$	\$
Water	\$	\$	\$	\$
Council rates	\$	\$	\$	\$
Telephone	\$	\$	\$	\$
Electricity	\$	\$	\$	\$
Gas	\$	\$	\$	\$
Insurance	\$	\$	\$	\$
Mobile phone	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total	\$		\$	\$

FOOD & GROCERIES

Supermarket shop	\$	\$	\$	\$
Milk	\$	\$	\$	\$
Bread	\$	\$	\$	\$
Meat	\$	\$	\$	\$
Fruit & veggies	\$	\$	\$	\$
Take away	\$	\$	\$	\$
Eating out	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total	\$		\$	\$

\$

Financial Issues

EXPENSE	Actual Amount Spent	Period	Weekly Cost	What I want to spend
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HEALTH

Medication	\$		\$	\$
Private Health Insurance	\$		\$	\$
Doctor	\$		\$	\$
Dentist	\$		\$	\$
Optometrist	\$		\$	\$
Other	\$		\$	\$
Total	\$		\$	\$

TRANSPORT

Public Transport	\$		\$	\$
Petrol	\$		\$	\$
Car Insurance & Rego	\$		\$	\$
Car maintenance	\$		\$	\$
Other	\$		\$	\$
Total	\$		\$	\$

\$

PERSONAL

Clothes	\$		\$	\$
Haircuts	\$		\$	\$
Make up	\$		\$	\$
Cigarettes	\$		\$	\$
Other	\$		\$	\$
Total	\$		\$	\$

Financial Issues

EXPENSE	Actual Amount Spent	Period	Weekly Cost	What I want to spend
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LIFESTYLE

Hobbies	\$		\$	\$
Sport	\$		\$	\$
Movies	\$		\$	\$
DVD/videos/music	\$		\$	\$
Games	\$		\$	\$
Books/magazines	\$		\$	\$
Other	\$		\$	\$
Total	\$		\$	\$

OTHER

Education	\$		\$	\$
Stuff	\$		\$	\$
Pet expenses	\$		\$	\$
Other	\$		\$	\$
Other	\$		\$	\$
Total	\$		\$	\$
TOTAL EXPENSES	\$		\$	\$

(Add up all the total amounts for expenses to get this amount)

Is what you actually spent equal to or less than what you wanted to spend?
If it isn't try to make some changes.



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Income

INCOME	Actual Amount	Period	Weekly
Salary/wages	\$	\$
Pension	\$	\$
Other	\$	\$
Total	\$		\$

Do you have some money left to save?

To work this out:

TOTAL INCOME	\$
- (minus)	
TOTAL EXPENSES <i>(what you actually spent)</i>	\$

TOTAL SAVINGS	\$
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If your income is more than your expenses you should have a positive number here. This means you have savings!!!

If your expenses are more than your income you need to review your budget so that you can identify where you can decrease your expenses.



Adapted from SWBIRS Albury, Information Sheets. Developed by Robert Parker

Financial Issues

SERVICES that can help you manage your money

Office of the Protective Commissioner and the Guardianship Tribunal

An application can be made to the Guardianship Tribunal or the Supreme Court Equality Division by someone who has a concern for the welfare of a person who is having difficulty managing his or her financial affairs. The court can make a Financial Management Order which legally states who can take care of the financial affairs for the person. If there is no suitable person the OPC may be appointed.

The Office of the Protective Commissioner (OPC) is an independent person legally appointed to look after and protect the financial affairs of people who are unable to make financial decisions for themselves.

The Public Trustee

The Public Trustee of NSW acts as an independent and impartial executor, Administrator and trustee for the people of NSW. (This basically means that they provide unbiased help with financial issues).

The Public Trustee may be able to help you with:

1. Making a will. A will is a legal document that clearly sets out your wishes for the distribution of your assets after your death.
2. Trusts. An amount of money that is given to a nominated person over time.
3. Private Client Services. A range of plans that can assist you manage your financial affairs.

Financial Planners

Financial planning is the process of meeting your life goals through the proper management of your finances. (Your goals could be anything; to retire early, to own your own car or house, to go on a holiday or to have enough money to buy a big TV). Financial planning involves looking at your finances (that is your income and debt), preparing, implementing and reviewing a financial plan to meet your goals.

To find a financial planner that is registered, contact the Financial Planning Association of Australia. (Find the contact details on the Useful Websites and Contact Details Information Sheet).

