

# FAMILY BUDGET WEEK

Every year the South African government draws up an annual budget, mapping out the income the country expects to earn and how they plan to spend it. This year, Sanlam is challenging all South Africans to do the same for themselves during Family Budget Week. One week where we all sit down, figure out exactly how much we have, and how to make the most of it. If you're ready to take up the challenge, go to [familybudgetweek.co.za](http://familybudgetweek.co.za) – Tumi Morake is waiting for you. Get a pencil, paper and a calculator, and let's get going. Come on, you can do it, there's a Wealthsmith™ in you. There's one in all of us.

## 6 Apply, monitor, adjust

Once you've removed your unwanted expenses, recalculate your budget. Now you have a budget for the year. To get a monthly budget, just divide all your figures by 12. Use it as a blueprint for your spending throughout the year. The most important thing is that you stick to it, so check regularly if it's working for you and adjust it when you need to. Good luck!

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## 1 Prepare

Gather your partner, parents, kids, pets, everyone in your household affected by this budget. The key to budgeting for the future is knowing how much you spent in the past, so you need to collect all your bank statements and any receipts you can find. Try to remember all the things you spent money on, even the things you don't have record of, and don't forget about the cash you spent.



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## Work out your yearly income

Figure out your yearly income by collecting your payslips and adding any extra income like bonuses, rental income and the birthday money your granny gives you every year. It's a good idea to know your income after tax – use the Sanlam Tax Calculator to work it out.

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## Write down all your expenses

Start by breaking up your expenses into three categories: fixed expenses, variable expenses and discretionary expenses. Multiply monthly expenses by 12 to get yearly figures.



### Fixed expenses

Fixed expenses are your regular monthly expenses, like loan repayments, medical aid, rent and school fees.

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### Variable expenses

Variable expenses are the expenses you incur regularly, but not in fixed amounts, like groceries, petrol and phone bills.

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### Discretionary expenses

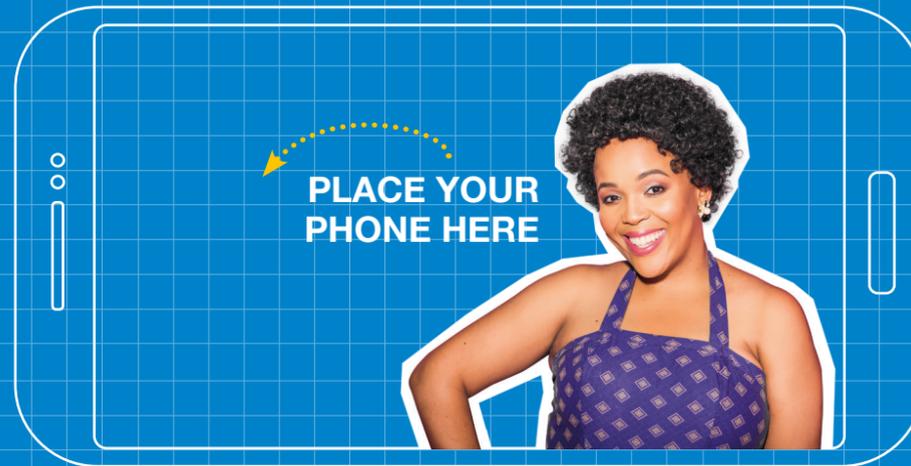
Discretionary expenses are your irregular expenses, like eating out, hair care and hobbies. Make sure you write down absolutely everything.

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## START HERE

Go to [familybudgetweek.co.za](http://familybudgetweek.co.za)

Watch the video and let us take you through our 6-step budget guide.



## 5 Prioritise

No matter where you stand, it's a good idea to cut down unnecessary spending. Start by dividing your expenditure into essential expenses (things you need) and emotional expenses (things you want). Then, remove the essential expenses and the emotional expenses that you feel you can live without.



### Essential

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_

### Emotional

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_

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## Calculate

Now, take your income and subtract all your expenses. If your total is negative, you're in debt, if it's zero, you're breaking even, and if it's positive, you have some spare. Where you stand will determine if you need to change your spending habits and by how much.

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