

Start budgeting

Follow the steps below as you set up your own, personalised budget:

Establishing a budget and sticking to it isn't easy, but it's the best way to be in control of your finances and make sure your money is going toward the expenses that matter most to you.

Make a list of your values

Write down what matters to you and then put your values in order.

Set your goals

Write down your goals.

Think about what you want to accomplish financially in the next three months, the next year, and the next three years.

Determine your income

Work out your available income (the amount of your take-home, or net, pay).

Do not include overtime pay, because you shouldn't rely on that as regular income.

Determine your expenses

Review your bank statement, credit card statements, store receipts, and more. Where is your money really going?

"Fixed expenses," such as a rent or student loan payments, are easy to determine.

"Flexible expenses," such as food, clothing, and entertainment, vary from month to month.

Don't forget about expenses that are billed quarterly or yearly.

Create your budget.

Think of your budget as a “spending plan,” a way to be aware of how much money you have, where it needs to go, and how much, if any, is left over.

If your income is not enough to cover your expenses, adjust your budget (and your spending!) by deciding which expenses can be reduced.

Your budget should meet your “needs” first, then the “wants” that you can afford.

Pay yourself first!

Save as much as you can every month. Even a small amount can make a big difference if you keep it up

A great goal is to establish an emergency savings fund large enough to cover three to six months of your living expenses.

Saving is a very important part of protecting yourself financially.

Go to the Money Advice Service website for tips for choosing a savings account including credit union accounts.

Check out this savings calculator to learn more.

Check back periodically.

Be sure to review your budget regularly

There are some things in life that are pretty important, and getting your money and your budget under control is one of them.

Does the plan still meet your needs and help you achieve your goals? If not, make some adjustments or create a new budget that better meets your needs.

Some extra tips

Always pay your credit card bills on time! You’ll establish a history of good credit use, which can help you obtain loans and other credit products more easily in the future.

Check your credit card receipts against your monthly statement. Mistakes do happen — act immediately by notifying your card issuer if you spot an error or fraud.

One of the most effective money management tips for young adults is to buy less expensive and used items. If you’re planning to buy cars, furniture or any other expensive items, consider buying used ones. Finding one that is couple of years old can save you a good amount of money. Also, for fashion enthusiasts, it is advisable to buy designer clothes from consignment shops at a much lower price. They might take you a long time to find, but will help you save a lot of money.

Overestimate your spending and underestimate your savings. Unfortunately, people usually do the opposite. They think they won’t spend anything extra, or that they’re going to save more than they will.

It really helps to have a budgeting partner. If you’re in a relationship or have a spouse, that’s great; if you’re not, then do it with a friend who’s going through the same thing. It comes down to accountability, just like with diet and exercise. You don’t want to tell your workout buddy you didn’t run for a week or ate an entire chocolate cake, right? It’s the same with unnecessary spending. I also like people to give themselves some sort of “free” day once in a while. You’re not going to spend gobs of money, but it’s okay to buy yourself a little something extra.

With every purchase, you should verbally ask yourself, **“Do I need this or do I just want it?”**

