

What it Might Look Like in Practice

This template includes an example *actual budget* of *Part 4: Spending* that includes an average of our yearly budgets over the last three financial years, for a couple in Melbourne with minimal debts.

PART 1: INCOME & DEBTS	Yrly/ Mthly/ Wkly	Comments
Gross (pre-tax) Wage/Salary		Plan your budget based on minimum <i>likely</i> income and then plan, in advance, how you will give, save or spend any extra income. Pre-calculate your expected tax/HELP payments using ATO's calculators.
<i>Less</i> ATO payments e.g. Tax, HELP payments		
Net Wage/Salary		= Wage after ATO payments
<i>Plus</i> Extra Income		To easily track our <i>actual budget</i> with only bank transactions lists, we include everything going in/out of our accounts that year (incl. last year's tax return)
e.g. bank interest, cash gifts		
Total Income		= Gross Wage – ATO payments + Extra Income
<i>Less</i> Debt Repayments		e.g. Loans/mortgages/credit cards/voluntary HELP repayments
Total Debt Payments		Make debt repayments automatic payments!
TOTAL "AVAILABLE" INCOME		= Total Income – Total Debt Repayments <i>This is income you have at your disposal to spend, give and save.</i>
PART 2: GIVING		
Regular (automatic transfer)		Are there particular causes or themes you want to contribute to? Regular donations are helpful for NGOs and/or churches in their planning, but allow space for unplanned needs and almsgiving too.
Spontaneous (approx.)		
TOTAL GIVING		
Giving as a % of Gross Wage		Consider the concept of 'tithing' as a percentage of your gross wage.
PART 3: SAVINGS		
<u>Need to save for</u>		What are you investing in, and is it in line with your values? How important is maximising a return for you?
e.g. Emergency Savings		
<u>Want to save for</u>		How much do you want to save? Use multiple banks/bank accounts for different purposes and to make savings inconvenient to access. Set up automatic transactions to savings/other investments.
e.g. Solar panels, holidays		
TOTAL SAVINGS		
TOTAL "SPENDABLE" INCOME		= Total Available Income – Total Giving – Total Savings <i>Based on the planning above, this is what's available to spend.</i>
PART 4: SPENDING		
This part of the template includes an example of the average \$/year we have spent on life in Australia (any overseas trips are budgeted for in 'Savings' above).		
Household Bills		
Rent	\$14,267	Adapt the budget categories to best suit your circumstances.
Internet	\$343	Make bills like this automatically deductible from your account.
Household Items	\$578	e.g. furniture, bathroom supplies etc. Try a tool library and repair cafe.



Utilities	\$1,030	We've often had solar, paid a small premium for renewables, rugged up indoors, and used high-energy appliances during solar hours.
Mobile Bills	\$429	We change plans regularly for the best deals and use yearly plans.
Groceries	\$6,820	Who and where you are buying from; how far it has come; what's in it and it in; who's benefited and lost in its making? Try ShopEthical.org.au! We challenged ourselves on the food we buy, tracking our purchases by source type (e.g. farmers' market/CSA box; supermarket; other store). We purchased about 60% at a chain supermarket, but experience in the city suggests we can get that down to 30%.
Transport		
Bike/Car Insurance/ Registration/Services etc.	\$1,694	Car sharing could be cheaper if driving approx. <10,000km/year in city life. If you own a car, how could you help someone else not own one?
Petrol, Tolls, Parking	\$2,661	Cycling and walking where possible reduces this cost a lot for us.
Car Rides/Rentals	\$596	e.g. rideshares, contributions to others' fuel, borrowing friends' cars
Public Transport	\$323	You may want to include carbon offsets here to better reflect the true 'cost' of flying.
Interstate Travel	\$901	
Entertainment/Recreation		What do you perceive as a need that your parents (or another generation) would have considered discretionary?
Eating out/take away	\$4,557	Could you be more organised to reduce this? Could this be transformed into hospitality? Food and drinks out is our biggest 'discretionary' spending that we continually wrestle to combat.
Events	\$429	e.g. movies, gigs, conferences, personal development courses.
Media Purchases and Subscriptions	\$405	Are you still paying for that 'free' subscription? We record any media subscriptions to be intentional about each and feel challenged to use our amazing libraries and free media services (eg. iview) more.
Sport/Gym	\$263	Organised casual sport with friends is a lot cheaper than many clubs or gyms, and fun too. Not every service needs to be monetised!
Accommodation & Tourism	\$920	Accepting the hospitality of friends and/or camping helps us keep this line low whilst enjoying at least four weeks away a year!
Medical		Budgeting for this has been helpful as it has changed over time.
GP/Dental/Glasses	\$354	After two years with Extras cover, we found the total cost for insurance was more than we would have paid out of pocket for the services we used. The pros and cons will be different for everyone: a budget can help show places/seasons to save.
Allied Health & Specialists	\$2,572	
Pharmaceuticals	\$967	
Insurances	\$552	
Education		
Education/Work costs	\$369	eg. industry memberships, up-front (non-HELP) uni fees, school fees.
Stuff		Do you need it? Are you paying more in rent/external storage to own it? Can you borrow it or get it second-hand? Can you fix it?
Clothing	\$231	When we do buy new, we aim for B Corps and fairtrade, consider the material (see <i>MM</i> Nov 2021) and use the BWA Ethical Fashion Guide (baptistworldaid.org.au)
Shoes	\$426	
Books/Newspapers	\$86	We have shared newspapers with friends, and again, libraries!
Electronics and Stationery (incl. repairs)	\$726	We average about 80% second-hand for this budget line. Our cheaper (but still great, especially with a battery replacement) phones and laptops are new to us and avoid more harmful resource extraction. Consider using the Shop Ethical Electronics Guide.
Accessories	\$97	Overall, after regularly tracking our "stuff" purchases by the categories of new, new (ethical) and second hand, we are sitting at about 70% second-hand or new (ethical). Our next goal is 80%.
Other	\$222	

Other Expenses		
Services	\$287	e.g. tax accountant , haircuts.
Miscellaneous	\$326	If using bank transactions lists to track spending, separately track cash purchases or categorise ATM withdrawals as 'Miscellaneous.'
Gifts	\$565	We prioritise needed things, home-made, second-hand, or practical DIY help as gifts.
Bank or Other Fees	\$48	You can often avoid bank fees, even with 'ethical' banks.
TOTAL SPENDING	\$43,110	
TOTAL YEARLY OUTGOINGS		= Total Giving + Total Savings + Total Spending <i>The money that will move out of your income/daily account this year. Aim for it to be the same/less than your Total "Available" Income.</i>
EXTRA		= Total "Available" Income – Total Yearly Outgoings <i>The remaining amount is extra you have after Parts 2, 3, and 4, which you can direct to more giving or savings.</i>

There are hundreds of things we could critique in our budget. We wrestle with competing values (e.g. to save or give away), questions about what to prioritise (e.g. 'live simply so that others may simply live' or more ethical purchasing goals), the calling of our faith (e.g. would Jesus in 2022 have savings in a bank account at all? Probably not!) and my upbringing that valued financial security. In some ways, our budget shows the conflict between these issues, and how we balance those conflicts changes over time, different seasons with different focuses and needs. Your budget, as with your values, priorities, and balancing of the conflicts of money will be different. I would argue wrestling with those conflicts is a healthy spiritual discipline.

Dive deeper

See Manna Gum's plethora of other articles on money (e.g. *MM* May 2016), wealth (e.g. *MM* May 2015), investment (e.g. *MM* Nov 2021), living simply (e.g. *MM* April 2013), responsible consumption (e.g. *MM* Sept 2019), the role of giving in discipleship (e.g. *MM* Aug 2011), and particularly, the Household Covenant (available at mannagum.org.au).

Final tips for budgeting and more

- Make your budget as simple and easy as you need so you will actually do it; notations on a napkin are better than nothing!
- Preference automatic transactions, set up by you or deducted automatically for regular giving, paying bills or regularly putting into your savings account(s).
- Set up a regular weekly transfer to your debit card for 'discretionary spending' (e.g. coffees out) to help limit and savour luxury items.
- Shop around for ethical banks/super/investments, considering returns but being willing to forego maximum returns to invest in more neutral/good things (see MarketForces.org.au).
- Check your bank account(s) every so often to get a sense of your spending.
- To track your spending, ask for and keep receipts, and/or use a spreadsheet, download your bank transactions, or use a spending tracking app.

Lauren is a lawyer who, despite not getting to use them in her day job, loves spreadsheets. She is not a financial advisor...