

Budget and Prosper

To reduce your monthly outgoings you need to know where you are spending your money.

Record every expense, no matter how small. Then, once you know what you're spending, you can set a budget to work to.

Group together all your monthly fixed expenses, such as mortgage repayments, school or childcare fees, utilities bills and credit card payments.

Make a note of all outgoings such as food, travel expenses, leisure and lifestyle. Once you have this recorded over a set period (usually monthly) you can then identify areas that can be targeted for reduction.

For a budget to succeed it must be realistic. There are certain outgoings that are harder to reduce than others – set these aside. It is no surprise that the easiest area to reduce spending is often lifestyle and luxury, but don't be too harsh or you may end up abandoning the plan.

Setting a target and identifying a clear benefit for the sacrifice will help you stick to your budget – repayment of a credit card, reduction of your mortgage, or saving for the future all make great goals.

There are a number of software programs that can make budgeting easier, such as Quicken. Alternatively you may choose to structure your own spreadsheet, using software like Excel; otherwise there is nothing wrong with a good old-fashioned pen and paper.

The key to keeping to budget is discipline. Ensure your records up to date and stick to the targets you set. Keeping daily accounts need take no longer than cleaning your teeth! The hardest thing is getting started.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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