



Supporting Defence families



Managing your finances as a Defence family

Preparing a budget is an easy way of managing your finances, and can be the key to financial security. A budget is a simple financial plan that shows individuals or families where their income is being spent. By monitoring the flow of money through a household, it is easier to accomplish short term and long term goals and to take some control of the financial future. For couples, it is better if the budget is worked out together so that it is understood and agreed to by both partners.

Financial management

Below are some basic steps to creating your own budget.

1. Figure out your income. Include basic pay, incentive or special pay and any allowances. Be sure to include any other source of income, including part-time employment and interest earned on property and bank accounts.
Remember that your allowances are only going to be temporary and will only last for the period of the deployment or activity that they are for.
2. Keep track of your expenses. Expenses fall into two categories - 'fixed' such as rent or mortgage and 'variable' such as groceries, telephone, entertainment etc. List your daily expenses for a month. Include everything you spend money on - small purchases add up! Include work lunches, vending machine purchases, parking, video rentals, haircuts etc.
3. List your debts. Write down the monthly payments on your home loan, car loan, credit cards, personal loans etc.
4. List your assets. Make a list of the things you own and their value. Your removals inventory is a good start for this. Remember, however, that value is based on what you could sell them for today (not what they cost when you bought them).
5. Keep your budget in balance. Your budget is balanced when your income matches or exceeds your expenses and savings. A balanced budget gives you control over your

finances – and the cash you need to reach your goals.

6. Review your spending habits. If you consistently spend more than you make, it is time to consider ways to:
 - Lower your living expenses;
 - Reduce the amount of money you owe; or
 - Increase your income.

A financial planner can help prepare a budget and assist with financial issues. Most banks and building societies have financial advisers available free of charge. Conversely, for further information about financial planning and to access a budget worksheet, follow the links on the following Defence websites.

www.defence.gov.au/dpe/dpsa

www.centrelink.gov.au

ADF Financial Services

Consumer Council





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In summary

- Set aside time to discuss finances
- Make all financial decision together
- Be honest and realistic in distinguishing wants and real needs
- Refrain from pointing the finger and looking for blame
- Take a long term approach to your financial health and stability

- Make you relationship your top priority

Should you find yourselves in difficulty, communicate honestly with creditors regarding your temporary circumstances.

- Prioritise your accounts.
- Discuss some lifestyle adjustments.

For more information on this handout and other Defence Community Organisation support services visit www.defence.gov.au/dco or call the all-hours Defence Family Helpline on 1800 624 608.

