

6 Step Budgeting Basics: A Practical Guide

Step 1: Know Your Income

List all your income sources. If your income varies, calculate a 3-6 month average.

Step 2: List Your Expenses

Use the printed budget template. Divide your spending into:

- Fixed expenses (same each month)
- Variable expenses (like groceries)
- Annual expenses (e.g. school fees, car licences)

Track what you spend so you become aware of where your money goes.

Step 3: Choose a Budgeting Method

Option A – Traditional Budgeting (70/10/20 Rule):

- 70% for living expenses
- 10% for giving
- 20% for savings or debt

Option B – Reverse Budgeting (Financial First):

- Pay your fixed & essential expenses
- Prioritise financial goals (emergency fund, debt, investments)
- Use the remainder for lifestyle costs

Step 4: Review Monthly

Check your budget monthly. Ask: What worked? What didn't? Adjust based on real life.

Step 5: Add a Guilt-Free Line

Set a small amount aside for personal joy — no explanations needed. It brings dignity and avoids resentment.

Step 6: Start Small — Keep Going

Even saving R100 or tracking your spending is progress. Faithfulness over time leads to peace and progress.

Budgeting isn't about being perfect. It's about showing up — and you already have. Keep going, I believe in you.

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