

Checklist: Creating your first budget

Ready to create your first budget? Don't worry, it's easier than it sounds, and this checklist will guide you through the process step by step. For more details, please refer to our 'Personal finance 101' guide [here](#).

We've also created this [budgeting spreadsheet](#) which can help to get you started.

1 List your income

Write down all the money you earn in a month. Include your salary and any other sources of income.

2 Work out the difference

Add up your income and then your expenses. Take them away from each other and you'll see if you're spending too much.

If numbers aren't your thing, we've created a budgeting spreadsheet to do the calculations for you. [Get it here](#).

3 Set limits

Using the 50/30/20 rule, you should look to set a spend limit of 50% of your income on needs, 30% on wants and 20% on savings/debt repayments. This doesn't need to be exact: make sure it works for you!

4 Track your expenses

Look at your bank statements to see where your money goes. Be honest and thorough – every routine coffee and online subscription counts!

5 If you budget doesn't balance

Don't panic if your expenses are more than your income. Go through each expense with a fine-tooth comb to work out what's necessary and what isn't.

Try to reduce what you don't need – easier said than done but a crucial step when working with a budget.

6 Review regularly

Check in every month to see how you're doing and tweak your budget if your circumstances change.

Remember, it's okay if your budget doesn't work perfectly at first. The goal is progress, not perfection.

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