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# A quick guide to better budgeting



**NatWest**  
International

## On your marks, get set... budget

A good first step toward taking control of your finances is to set-up a budget. It could help you avoid getting into debt, put you in a better position for unexpected costs and maybe help you save something for the future. We've put together some ideas to help you get started.

### 1. Work out your income

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Before you plan your budget, you need to know how much you've got coming in each month and understand any deductions from your pay. Also, consider other income you might get like benefits, maintenance or child support too.

**Your take home pay** - before it lands in your current account.

#### Gross salary vs your net pay

Chances are you'll already know what your gross salary is, the total amount you're paid for the work you do each year. Your take home pay, otherwise known as net pay, is the amount you receive each month after any deductions you make which have to be made, like Income Tax and National Insurance.

### 2. Where could you save?

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A budget could help you to understand how and where you can save money. A good place to start is looking through your regular monthly outgoings. Our **top energy saving tips** could help save you money on your gas and electricity and reduce your carbon footprint at the same time.

Use the NatWest International app to help you check your monthly direct debits and standing orders.

**Payments in the mobile app**

### 3. Essentials vs luxuries

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For some, one of the hardest parts of budgeting is identifying what is 'essential' and what is 'nice-to-have'. Paying your mortgage or rent is clearly essential along with buying food and paying for energy. Find your inner Marie Kondo and de-clutter your outgoings.

You could use our online Income & Expenditure form <https://www.natwestinternational.com/income-expenditure> to understand your monthly financial position after expenditure.

### 4. Dealing with your debt

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If you can, pay off any overdrafts, loans or credit card debt you may have as this typically charges a higher rate of interest. But ensure you check the terms of your agreements to avoid any additional fees or charges. If you're **struggling with your debt**, help is at hand.

### 5. Ongoing maintenance

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Change is one of life's certainties. Take time to review your hard work as and when changes happen, or at regular intervals to keep your budget on track. That way you can spot any over-spending before it goes too far or opportunities to save more.

If you can, involve your family or household. A shared responsibility for your budgeting efforts will improve your chances of keeping them going over the long term.

### 6. Breakdown your budget

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The 50/20/30 budgeting rule is a popular one to help keep you right. It works by dividing up what money you have coming in and then breaking it down into how you'll spend it: 50% on essentials, 30% on nice-to-haves, and 20% to savings, as a guide.

### 7. Set a savings goal

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On average, customers can save twice as much when they **save towards a goal**. It creates a reason to cut back and helps bring the bigger picture into focus. Treat it like a household bill rather than hoping you have something at the end of the month to put away.