

How to create a budget



A guide to help when the going gets tough!



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You can do it!

Take the First Step Towards a More Energized Life with a Balanced Budget

Embark on your journey to a more vibrant and energized life by taking control of your finances. A well-managed budget is the cornerstone of financial stability, reducing stress and allowing you to focus on what truly matters. By prioritizing essential expenses, planning for the future, and eliminating unnecessary costs, you can create a financial foundation that supports a healthier, more fulfilling lifestyle.

Start by understanding your income and expenses, setting realistic financial goals, and making informed decisions about your spending. With a balanced budget, you'll not only ensure that your basic needs are met but also gain peace of mind, knowing you have a plan in place for unexpected costs. This financial security can significantly boost your overall well-being and energy levels, allowing you to lead a more productive and enjoyable life.

Taking the first step towards a more energized life with a sound financial plan empowers you to live with confidence and purpose. So, embrace budgeting as a tool for achieving financial health and unlocking a brighter, more energetic future.

Step 1

Why a budget?



» Why a Budget?

Creating a budget is an essential skill for keeping track of your finances and making sure you have enough money for your necessities and a little extra for unforeseen expenses.

Why Is Budgeting So Important When You're Sick and on a Low Income?

An Unstable Income. When you're ill, income can often be unstable or reduced. Illness can lead to periods of not being able to work fully or not at all. A budget helps ensure that you can still cover your necessary expenses even if your income is unpredictable.

Increased healthcare costs. Illness can lead to increased healthcare costs, such as medication, doctor visits and treatments. By budgeting, you can plan for these additional costs and avoid being overwhelmed by unexpected bills.

Greater need for financial support. When you're ill, you may need to apply for financial support such as sickness benefit or housing benefit. A budget helps you get an overview of your financial situation and shows exactly how much support you need.

Need to plan for unforeseen expenses. Illness can lead to unforeseen expenses, such as emergency medical treatment or necessary home modifications. A good budget includes a buffer for these unexpected costs, helping to avoid financial stress in emergency situations.

Better debt management. When you're sick, it can be tempting to take out loans to cover expenses. A budget helps you avoid taking on new debt and focuses on paying off existing debt in a structured way.

Prioritising necessary expenses. A budget forces you to prioritise necessary expenses like rent, food and medicine over less important expenses. This ensures that you always have money for the essentials, even in tough times.

Reduced Stress. Being in control of your finances can reduce the mental and emotional stress that often accompanies financial uncertainty and illness. A budget gives you a sense of control and security, which is especially important when navigating through health issues.

» Why a budget?

Better long-term planning. While it can be difficult to think long-term when you're ill, a budget helps you plan for the future. This can include saving for emergency funds, long-term treatments or even retirement.

Optimising resources. A budget helps you identify and utilise resources efficiently, such as free or cheaper alternatives for daily necessities. This can be anything from using public libraries to participating in free activities in your neighbourhood.

Monitoring Spending Patterns. When creating a budget, you can easily identify and monitor your spending patterns. This makes it easier to see where you can cut costs and find ways to save money.

Improved financial discipline. By following a budget, you develop better financial discipline. This means you become more aware of your spending and learn to say no to unnecessary purchases, which can be crucial to maintaining financial stability when you're sick.

Opportunity for Financial Counselling. With a clear budget in hand, it's easier to seek help and advice from financial advisors or support organisations. They can give you specific advice based on your financial circumstances and help you find additional support and resources.

Ensuring Continuous Care. Stable finances ensure that you can continue with necessary treatments without interruption. Budgeting helps you plan ahead and ensure you can always afford medication and treatments, which is critical to your health and recovery.

Having a budget when you're sick isn't just a financial necessity; it's a way to ensure stability and peace of mind during an otherwise uncertain time. It helps you take control of your finances so you can focus on what matters most: your health and recovery.

Step 2

How to make a budget



» How to make a budget

Making a budget is an essential skill to keep track of your finances and make sure you have enough money for your necessities and a little extra for unexpected expenses.

Step 1: **Identify your income**

Start by getting a clear overview of all your sources of income. This can include:

- Salary or wages
- Financial support (like sick pay or housing benefit)
- Any other income (such as interest income, freelance work, or selling unused items)

Write down your total monthly income.

Step 2: **List your fixed expenses**

Fixed expenses are those expenses that don't change from month to month. These can include:

- Rent or mortgage
- Insurance policies
- Subscriptions (like streaming services)
- Transport (like monthly public transport passes or car payments)
- Other recurring expenses (like loans)

Step 3: **Calculate your variable expenses**

Variable expenses vary from month to month. Examples include:

- Food and groceries
- Medicine and healthcare costs
- Entertainment and leisure activities
- Clothing
- Miscellaneous expenses (like gifts or spontaneous purchases)

Step 4: **Consider unforeseen expenses**

Have a buffer for unforeseen expenses, such as car repairs, medical emergencies or other unexpected costs. Start by setting aside a small amount each month, e.g. 5 EUR.

Step 5: **Create a savings plan**

Even small amounts can make a big difference over time. Consider setting up an emergency fund and a separate savings for long-term goals. Aim to save a fixed percentage of your income each month.

Step 6: **Create a budget chart**

Create a chart where you can write down all your income and expenses. This can be in a notebook, a spreadsheet on your computer or a budget app.

» How to make a budget

Example of a Budget Template in Euros (with Spanish Rates)

Here is an example of a budget template for a person in Spain. The rates are approximate and may vary depending on the exact location and individual circumstances.

Income	Amount (€)
Salary	1,200
Financial support (e.g., sick pay)	300
Total Income	1,500

Fixed Expenses	Amount (€)
Rent	600
Insurance (health, car)	100
Subscriptions (internet, mobile)	50
Transport (public or car)	80
Electricity and water	100
Total Fixed Expenses	930

Variable Expenses	Amount (€)
Food and groceries	200
Medicine	50
Entertainment and leisure	50
Clothing	30
Miscellaneous	40
Total Variable Expenses	370

Savings	Amount (€)
Emergency Fund	5
Long-term Savings	50
Total Savings	55

Total Expenses and Savings | 1,355

» How to make a budget

Explanation

1. Income

- Salary: The total amount you earn from your job. Here, a monthly salary of 1,200 € is assumed.
- Financial support: Amount received from sick pay or other forms of social support.

2. Fixed Expenses

- Rent: Average monthly rent of 600 €.
- Insurance: Costs for health insurance and car insurance.
- Subscriptions: Includes internet and mobile phone subscriptions.
- Transport: Costs for public transport or car-related expenses.
- Electricity and water: Average costs for electricity and water.

3. Variable Expenses

- Food and groceries: Average monthly expenses for food and groceries.
- Medicine: Costs for medication.
- Entertainment and leisure: Costs for leisure activities and entertainment.
- Clothing: Expenses for clothing.
- Miscellaneous: Other expenses that do not fit into the other categories.

4. Savings

- Emergency Fund: Amount set aside for unforeseen expenses.
- Long-term Savings: Amount set aside for long-term financial goals.

5. Surplus

- Surplus: Amount left over after all expenses and savings are deducted from the total income.

This budget template provides a clear picture of how to balance income and expenses, which is especially important when you are sick and may have an unstable income.

By following a structured budget, you can better manage your finances and ensure there is always money available for the most necessary expenses and savings.

Step 3

Planner Budget

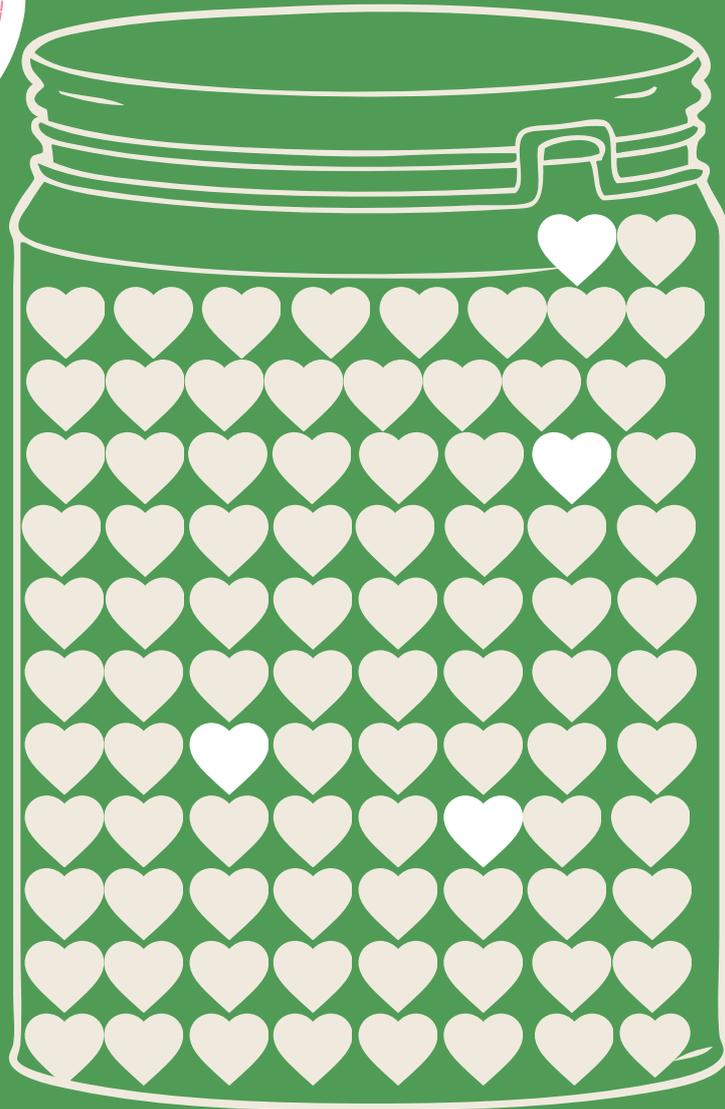


Step 4

Saving Challenge



SAVING CHALLENGE



Saving Place : _____

Start Date : _____



GOAL : _____

Heart's Value : _____

» Review and adjust regularly

Review your budget monthly to make sure you're sticking to it. Adjust as needed, especially if your income or expenses change. By following these steps, you can create an effective budget that will help you manage your finances, reduce stress and achieve your financial goals.

It's important to review and adjust your budget regularly to ensure it continues to fit your financial situation. By reviewing your budget monthly, you can keep an eye on your spending, identify any discrepancies and make necessary adjustments. This is especially important if your income or expenses change. Regularly updating your budget will help you maintain financial control, reduce stress and achieve your financial goals.

Concluding Argument

Having a good and structured budget is not only a matter of financial discipline, but a necessity, especially when you are sick and facing unstable income and increased healthcare costs. A budget allows you to plan and prioritise your spending, ensure your essential needs are covered and create a buffer for unforeseen expenses. It also helps reduce financial stress, improves your financial discipline and allows you to utilise resources effectively.

Following a budget allows you to take control of your finances, giving you peace of mind and allowing you to focus on what matters most: your health and recovery. No matter how small the amount of money you have to work with, a good budget plan can help you navigate through financial challenges and achieve long-term financial stability.

» A guide to help when the going gets tough!

Empower Your Journey:

Following a budget allows you to take control of your finances, giving you peace of mind and allowing you to focus on what matters most: your health and recovery. Even small amounts can make a big difference, and a good budget plan can help you navigate through financial challenges and achieve long-term financial stability.

Visit www.piccunited.org for additional resources, templates, and information on many other things.

About the Author:

PiCC United is dedicated to providing comprehensive resources and support for individuals dealing with chronic health issues. With a focus on patient education and empowerment, U-PiCC aims to enhance the quality of life for those affected by chronic fatigue and related conditions.

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