

FAMILY BUDGET

*To acquire money requires valor,
to keep money requires prudence,
and to spend money well is an art.*

Berthold Auerbach
(German author, 1812-1882)

Family income is the money received by family members from different sources.

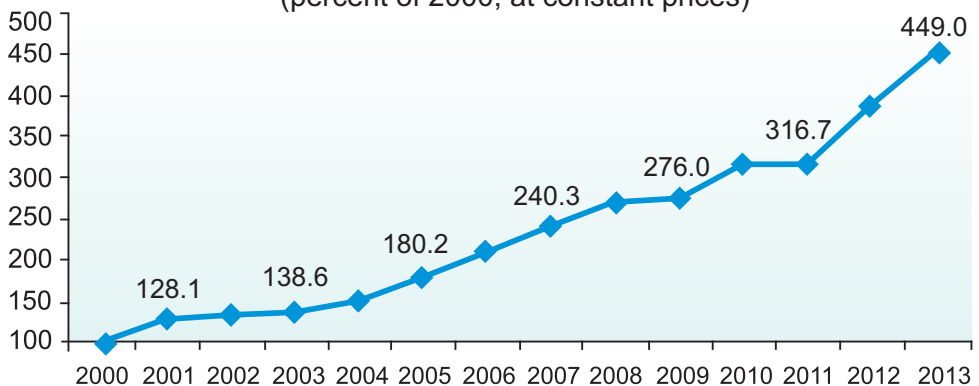
MONEY INCOME



- ➔ **Employment income** (wages and salaries, welfare assistance and other cash payments)
- ➔ **Business income** (income from entrepreneurial activity, handicrafts and self-employment)
- ➔ **Transfers to the population** (pensions, benefits, scholarships, etc.)
- ➔ **Property income** (interest on deposits, dividends, etc.)
- ➔ **Other income** (from sales of agricultural produce, picking recyclables, etc.)

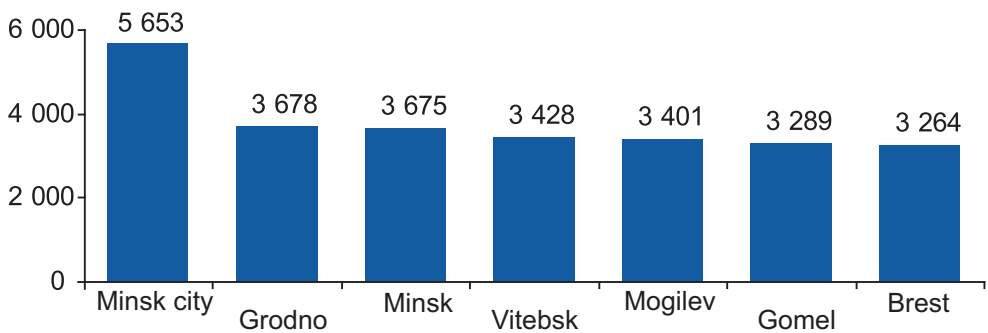
MONEY INCOME OF THE POPULATION

(percent of 2000; at constant prices)



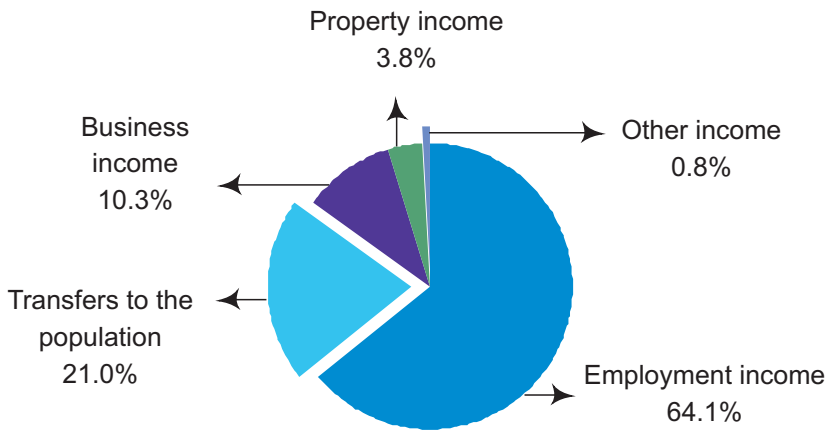
In 2013 the total money income of the population of Belarus amounted to 442 trillion rubles, with 3 894 thousand rubles per capita per month.

PER CAPITA MONEY INCOME in 2013
(thousand rubles per month)



The structure of the money income in 2013 shows that employment income and transfers to the population (pensions, benefits, scholarships) accounted for the biggest shares.

STRUCTURE OF MONEY INCOME
(percent of total)



For keeping a family budget, it is essential to know about all family and personal expenditures. All expenditures are classified into groups, which allows for determining exactly how much money are spent for various needs.

Family expenditure are the money spent by all family members for various purposes.

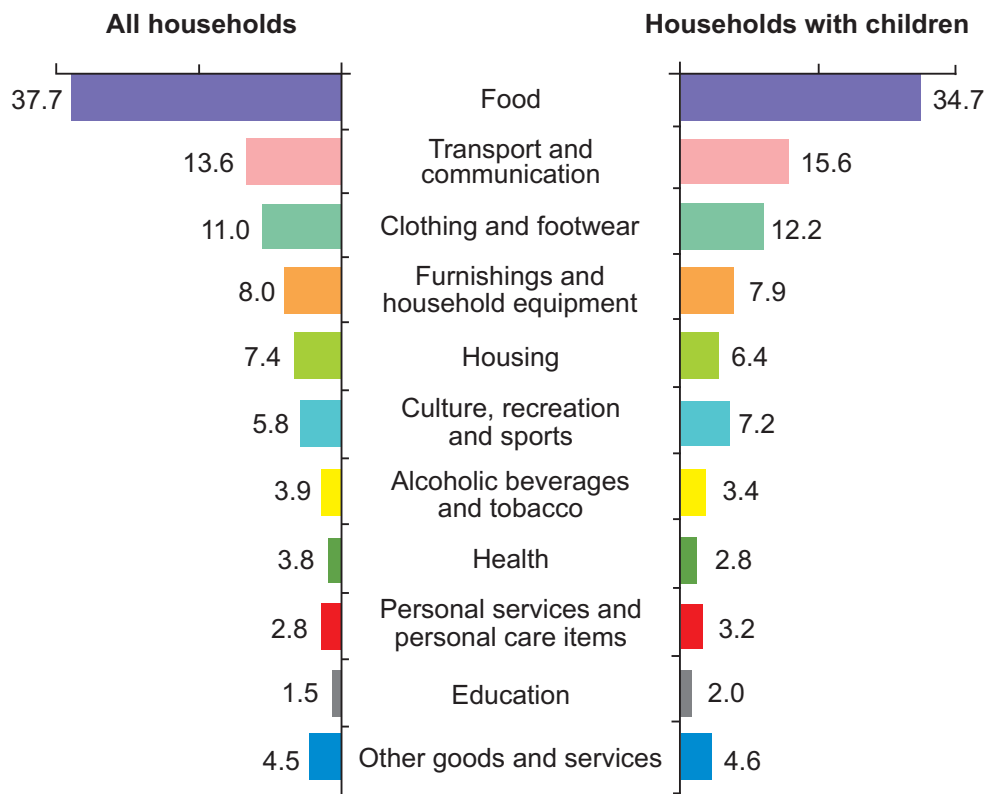


- ➔ **Consumption expenditure**
(on food and non-food goods and services)
- ➔ **Expenditure on construction and purchase of immovable property**
- ➔ **Deposits and savings**
- ➔ **Expenditure on taxes, fees and other payments**
- ➔ **Expenditure on subsidiary farming**
- ➔ **Other expenditure**

Consumption expenditure (expenditure incurred on consumption goods and services) is the main part of expenditure and consists of many components. They can be classified into regular (payment for housing and utilities, food, transport expenses) and non-regular (health services, purchase of clothing and furniture, leisure and entertainment).

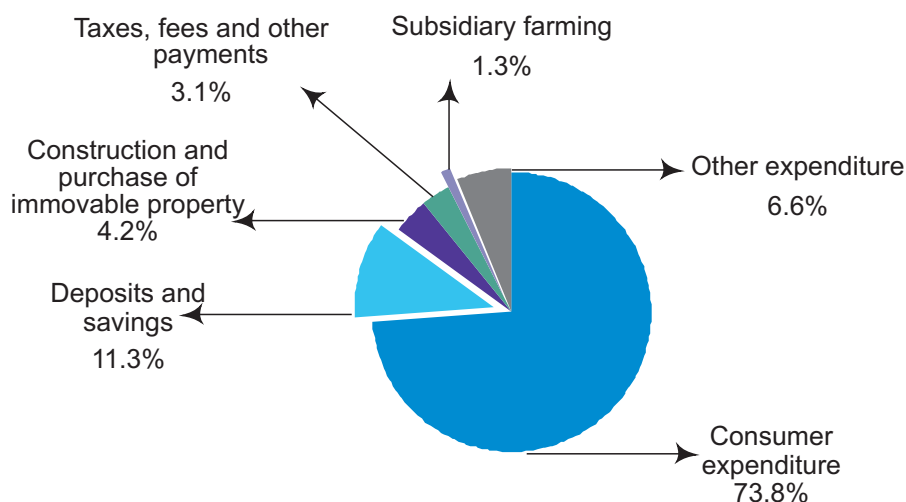
CONSUMPTION EXPENDITURE OF FAMILIES in 2013

(according to data of household sample survey; percent of total)



HOUSEHOLD EXPENDITURE in 2013

(according to data of household sample survey; percent of total)



Household surveys are conducted in different countries, which makes it possible to compare the structure of consumption expenditure across countries.

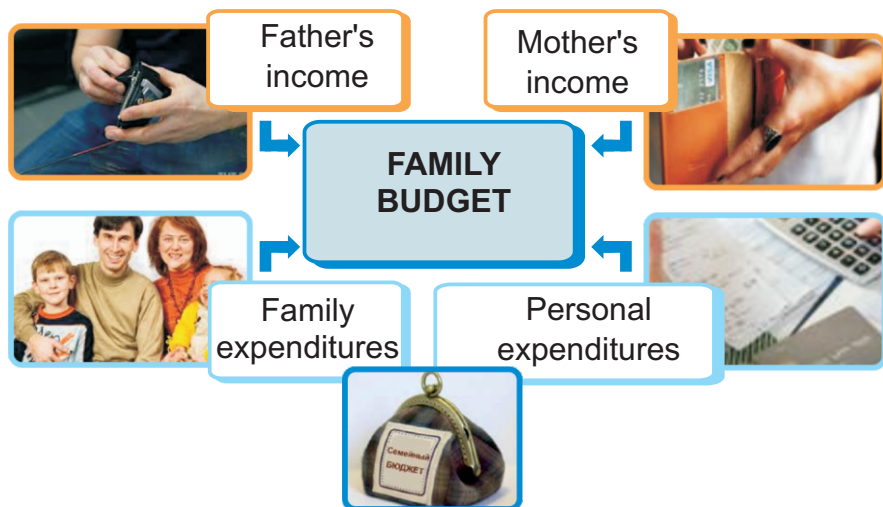
**STRUCTURE OF HOUSEHOLD CONSUMPTION EXPENDITURE
IN SELECTED COUNTRIES in 2013**
(according to data of household sample survey; percent of total)

	Belarus	Russia*	Poland	Ukraine
Total consumption expenditure	100	100	100	100
of which:				
food	37.7	28.1	24.9	39.2
alcoholic beverages and tobacco	3.9	2.5	2.6	7.8
clothing and footwear	11.0	10.1	5.1	6.2
housing	7.4	10.9	20.8	11.2
furnishings and household equipment	8.0	6.3	4.7	4.2
health	3.8	3.4	5.1	5.0
transport and communication	13.6	20.8	14.7	14.9
culture, recreation and sports	5.8	6.9	6.5	4.2
education	1.5	1.3	1.2	1.3
other goods and services	7.3	9.7	14.4	6.0

* 2012

Budget means "leather pouch," from Middle French bougette.

Family budget consists of the total incomes and expenditures required to support the living and meet the needs of all family members over a specified period (month, year). If the balance between the income and expenditure items is positive, it is good, and if negative, it is certainly bad.



To avoid the situation when the money is suddenly over a few days before the salary payment and there is no possibility to pay for vital things, or there are unexpected but necessary expenses, such as for example paid medical service, one should have a **money reserve (savings)**.

It is better to keep savings in banks – this allows a person not to worry about their sudden loss (theft, fire, natural and technogenic disasters and the like) and provides the possibility to increase income (to receive interest on deposits).

A **deposit** is one of the ways to increase savings. It happens like this: you lend a certain amount of money to a bank for a definite term. In return, the bank accrues interest. When the term of the deposit is over, the bank returns the money you deposited, plus the money (interest) awarded to you.

At the beginning of 2014, the population's deposit balance in the banks of the country was at 102.3 trillion rubles, or 10.8 million rubles per capita.