

Traditionally Swiss

by Sylvie Arn

Budgeting in Switzerland

In a 'high-cost' country like Switzerland, budgeting is often the only way to keep income and expenses more or less in balance. Suggested 'rules of thumb' - combined with her own personal experience - are shared here by Sylvie Arn.

Managing her family of five, Sylvie has acquired an insight into the various problems that may arise when one has to 'budget'. "Although I might tend a bit more towards budgeting for a family, I learnt the basics when I was a single mom for a few years and really had to keep a close watch on where my money went."

Planning

So, let's start with how Sylvie begins setting up her budget. First, create a list of all income:

- Salaries (single or couple), including 13th-month salary when applicable
- Federal child allowance (*Kinderzulagen*)
- Alimony /child support
- Bonuses / interest
- Any other income, regular or variable

Next step

Next make a list of all expenses by gathering all of your monthly or yearly bills together and drawing up a list of fixed and estimated costs :

Housing

Rent / mortgage (here in Switzerland we say as a rule of thumb, the rent / mortgage should not exceed one-quarter to one-third of the total monthly income).

If not included in the rental fees, respectively the extra charges (*Nebenkosten*), such as:

Heating; chimney sweep; water / garbage removal / sewage; building insurance / building tax; maintenance (house and garden); cable TV connection; radio and TV (licences & cable); approximate cost of monthly electricity usage / gas; phone (landline / internet / cell phone); and, any other housing-related costs.

Taxes

State / community and church tax; national income tax (*Direkte Bundesteuer*); military replacement tax (this is important for

Swiss male citizens only who haven't served their time in the Swiss army).

A good rule of thumb is to calculate roughly one and a half months' salary to put aside for taxes

Insurances

Mandatory health care insurance; goods and liability insurances; life insurance; retirement insurance; automobile, etc.

Car / Transport

Taxes; fuel; (insurances); amortisation; membership in an association such as the *Touring Club of Switzerland* (TCS).

On average, the TCS suggests that a standard car costing CHF 32'000.- (purchased brand new), driven 15'000 kilometres a year, will cost approximately CHF 900.-per month. A smaller, less expensive car will cost around CHF 500.- a month. Of course these costs obviously vary a great deal.

All costs for public transport, monthly or yearly tickets, etc.

Other fixed yearly costs

Subscriptions to magazines and newspapers; club and group memberships; seasonal cards to sporting or cultural events; gym subscriptions, etc.

Household

Food and drink; hygiene products; washing powder; cleaning products and support; clothing and shoes; hairdresser; pocket money; other

Credit cards and payback of minimum coverage

Medical

Dentist; optician; medications; yearly health insurance franchise; doctor / 10% of doctor bills.

Miscellaneous

Holidays; gifts and donations; school costs (ie, tuition fees, school camps, day trips); unforeseen costs; savings.

Calculating your budget

Go to www.asb-budget.ch and download the excel files (*Erhebungsblatt*), fill in the columns and calculate your monthly income and expenses. Are they balanced?

If you have some money left, after *honestly* drawing up your budget, then WELL DONE, you are really good when it comes to money matters. However, if – what might be more likely– you find that you are deep in the 'red' every month, then ...

... read my '**Hints and Tips**' coming up in next month's issue of the *New Stork Times*. They might help you save money! ■