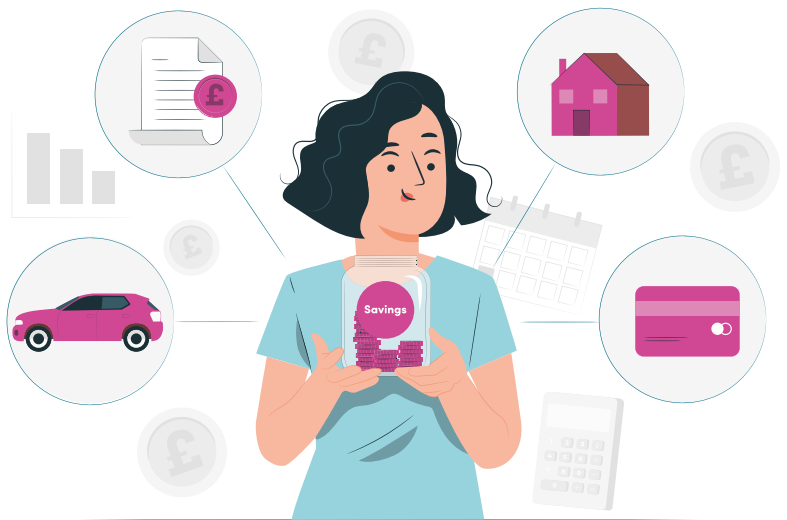


Budgeting & Managing Money

It may sound strange to think about having a relationship with money but it can be a good way of understanding how we feel about money and what we do with it.



For most of us, our attitudes to money are formed at an early age by parents or caregivers and we might not have questioned them before.

Some people are very careful and are unwilling to spend money on anything, and some people love to spend money - even when it might be a good idea to slow down a little and keep some in reserve. Most of us are somewhere in the middle.

Taking a bit of time to think about your relationship with money can help you take control and make better decisions in the future.

MONEY AND RELATIONSHIPS

Different approaches to money can be difficult to navigate in relationships, especially where one person wants to spend and the other wants to save. By talking honestly about how you feel about money you can understand each other's perspective and start making decisions together.

- See our Guide to family finances: <https://www.justfinancefoundation.org.uk/family-saving> for more ideas about getting everyone talking about money.
- If you need more help talking about money in your relationship: www.relate.org.uk/get-help/talking-about-money-your-relationship



Why is it important for you to have more control over your money?



BUILDING A BUDGET

A budget is just a spending plan based on income and expenses. In other words, it's an estimate of how much money you'll make and spend over a certain period of time, such as a week, a fortnight, a month, or even a year. Then you can make sure that your income covers your expenses.

The motivation behind budgeting is different for everyone. It could be having enough to cover essential costs, saving for the future, avoiding or managing debt, or relieving stress and worry around money.

TIPS TO BUILDING A BUDGET:

Seven steps to help you take control of your finances:



STEP
1

WORK OUT YOUR INCOME

- This includes your salary, benefits and help from family or friends.

STEP
2

MAXIMISE YOUR INCOME

- Check you are getting all the benefits you are entitled to here: benefits-calculator.turn2us.org.uk/
- Consider taking on extra part-time work.
- Sell any unwanted items.

STEP
3

THINK ABOUT WEEKLY SPENDING

- Start by keeping a spending diary so that you can see what you are spending each week on items like travel, food, entertainment etc. This can help you identify how much you need each week for essentials and any savings you can make.

STEP
4

IDENTIFY REGULAR SPENDING

- Make a list of all your monthly expenses like rent, mortgage payments, bills, insurance, subscriptions etc. Make a note of which day of the month they are paid.

STEP
5

PLAN FOR YEARLY SPENDING

- Think about any bills you pay annually like TV licence or house insurance.
- Once you've covered the essentials, decide on how much you can afford to spend on birthdays, holidays, religious festivals.

STEP
6

PRIORITISE

- Some bills are classed as priorities. The effects of not paying these are more serious. Make sure these are paid first. They will include your rent or mortgage payments, any secured loans, council tax, child maintenance, utilities, tax and national insurance, court fines.

STEP
7

FIND SAVINGS

- See if you can reduce your spending e.g. look at your standing orders and direct debits. You may be able to cancel and save on subscription services you no longer use, for example.
- Review contracts and policies, like utility bills, broadband, phone and insurance to make sure you are getting the best deal.



WHERE TO GET HELP WITH DEBTS

If you are in debt it can be hard to know where to turn, but there are lots of free advice services available. A professional debt adviser won't judge you, however big or small your problem might be.

- Find a free local debt adviser here: moneysavingexpert.com/loans/debt-help-plan/#step4

Try out one of our suggestions to help keep track of your money



JAM-JAR BUDGETING

Jam-jar budgeting is a way of controlling your spending by dividing your money into different pots of expenses. It is a good way to priorities your money on the things that you need most and to keep a track of your spending to make sure you have enough to cover essential bills. You can also see regular habits and get more of a handle on areas to reduce your spending. There are apps that can do this for you but you can also use real jars or envelopes and cash.



BUDGETING TOOLS AND APPS

There are lots of free budgeting tools and apps available to help you keep track of your money and even save a little each month. Some banks also incorporate budgeting tools into their apps or online accounts.

- For a good basic online budgeting tool try Money helper: www.moneyhelper.org.uk/en/everyday-money/budgeting/use-our-budget-planner.html
- Or try this printable option from Step Change: <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.stepchange.org%2FPortals%2F0%2Fassets%2Fexcel%2Fbudget-planner-form.xlsx>
- Check out these free apps:**
 - Money Dashboard:** Master Your Money with this Budgeting app: www.moneydashboard.com/
 - Emma:** Money Management: emma-app.com
 - Moneybox:** Turn your money into something greater. Great app for saving: www.moneyboxapp.com/