

Managing Finances

A key way to manage your finances is to keep a budget. In this budget you will need to list all of your income (money that you receive such as wages and benefits) and all of your expenses (money you have to spend on things such as your rent, bills and food).



Here is a comprehensive list of expenses to consider when preparing a budget. Try to keep some shop receipts and bills so that you can see how much you are spending on these things.

- rent or mortgage
- travel (buses, trains etc.)
- contents insurance
- car bills
- credit card payments
- utility bills, for example, water, gas, electricity
- phone bills
- TV licence
- food & drinks
- any tuition fees
- money to save in case of any emergencies
- course/work books/equipment
- household goods
- clothes/shoes
- toiletries
- music/films
- social activities.

You then need to add up your income. Examples of income to include are:

- student loan
- wages
- benefits payments such as ESA, JSA and DLA
- parental/guardian contributions
- gifts
- income from a job
- savings

It's also important to remember how often payments are made. For example, wages may be paid monthly, but certain benefits are paid every 2 or 4 weeks. Also some expenses may be weekly or monthly.

There are many online or downloadable budget worksheets online which, if you enter your monthly or weekly income and expenditure, will calculate your total incomings and outgoings automatically for you. A list of links to these is below.

If you are looking for something simple, you can try this chart from the Citizens Advice Bureau:

<u>Income (weekly/monthly)</u>	
Wages/salary	£
Wages/salary (partner)	£

Benefits	£
Money from other people	£
Student loan	
Other	£
Total income	£
<u>Outgoings (weekly/monthly)</u>	
Mortgage/rent	£
Second mortgage/secured loan	£
Ground rent/service charges	£
Buildings/contents insurance	£
Council tax	£
Gas	£
Electricity	£
Water	£
Food/housekeeping	£
Travel	£
Telephone	£
TV licence/rental	£
Clothing/emergencies	£
Prescriptions/health costs	£
Toiletries	
Other	£
Total outgoings	£

Online budget tools:

- <http://www.nottingham.ac.uk/ugstudy/budgetplanner/>
- http://www.adviceguide.org.uk/england/debt_e/debt_help_with_debt_e/debt_budgeting_e/debt_budgeting_tool_e/guidancenotes.htm

Downloadable budget tools:

- <http://easycalculation.com/home-budget-calculator-download.php>
- http://lds.about.com/library/bl/aids/aids2/Budget_blank_two_sheets.pdf
- <http://www.debtadvicefoundation.org/debt-tools/budget-planner>

- http://www.offt.gov.uk/shared_offt/consumer_leaflets/credit/oft358.pdf

As well as using a budget to record how much you are receiving and spending each month, you can also create a projected budget to help you save money. It is important to create a budget that you can stick to and to ensure that your income is greater than your expenditure.

Creating a budget can take time. It is important to set aside a sensible amount of time to do this. Documents that might help you prepare a budget include:

- a few months' worth of bank statements;
- your recent credit card bills;
- copies of your household bills;
- details of your benefits

When looking at your bank statement to calculate your expenditure, remember that there are different ways to pay for things:

- paying in cash
- paying by card
- paying online
- paying by cheque
- automatic regular payments (e.g. Direct Debit or Standing Orders)

Paying by Direct Debit can be more convenient as you don't need to remember to put cheques in the post or to have to visit anywhere to pay in cash. However, as it is easy to forget about what Direct Debits are on

your account, so if you need to keep careful track of your money, you may find it easier to pay by cheque, cash or online.

Money saving tips:

- If you are a student, you may be eligible for student discounts: certain shops offer discounts to students. If you show your National Union of Students (NUS) card, you may get a discount.
- Consider buying the shop's own brand goods rather than more expensive brands
- Buy loose fruit and vegetables rather than pre-packaged items
- Walk or cycle to work / college / university
- Use your local library rather than buying books
- Look out for bargains in the sales rather than paying full price for goods
- Look out for special offers on products you usually buy, such as "buy one get one free"
- Make sure you are claiming the benefits you are entitled to. Certain Charities like Assert or the Citizens Advice Bureau can advise regarding this.
- Prepare food from scratch rather than buying ready meals.
- Consider booking rail travel tickets in advance to save money
- Use energy saving light bulbs
- See whether you are eligible for a Young Person's, Senior or Disabled Person's railcard to save money on rail and underground fares.
- See whether you are eligible for a free bus pass
- Use comparison sites to ensure that you are getting the best deal on your gas, electricity and phone costs.

- Speak to or email your phone provider to ensure you are getting the best deal for the number and duration of calls you make.

Be aware of:

- Cash machines: Some cash machines charge for use. Make sure you check before using the machine. If the machine does charge, try to look for another one as they may well be one that doesn't charge nearby
- If you are living away from home, it is a good idea to have contents insurance on your items.
- Gambling: the chances of winning the lottery are very small. Consider whether it is really a good use of your money to buy lottery tickets.
- Avoid 'payday' lenders. They charge huge amounts of interest. If you think you may need a loan, get advice from the Citizens Advice Bureau first.

