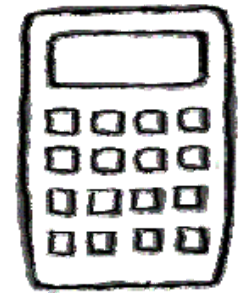


# BUDGETING

## TIPS



Knowing where you stand financially is essential for **everyone**. Work out exactly how much you have to spend each month and stick to it.

**The good news is – It's not difficult to do**

**Once you've done it, you'll feel much better and will be keen to move forward.**

Step 1 - Get together your bank statements, payslips and other documents which show how much income you have. Set aside some time when you won't be disturbed.

Step 2—Work out all your incomings and outgoings. This budget calculator from the Financial Services Authority (FSA) makes it easy!

Click here to get started : [Budget calculator : FSA money made clear](#)

## Top 10 Tips

**1.** Keep a spreadsheet or list showing your monthly income and expenditure. Spread as many bills as you can over the year so that you don't have lots to pay in some months when your expenses increase dramatically – but only if you are not charged punishingly high rates of interest to do so. Use the calculator above to help you.

**2.** Keep a notebook and write down what you spend for one full month. That includes newspapers and magazines, lunches, food, entertainment, etc. Only by doing this will you be able to calculate how much your day to day living is **actually** costing you. Don't forget to include absolutely everything. You'll be amazed how much money you "waste".

**3.** Cash is king. If things are tight, avoid paying by card and use cash instead. It's a great way of keeping control over your spending.

**4.** Good budgeting starts with **discipline** so don't be tempted by store cards and offers to pay later, to buy things you don't need. Make your plans on exactly what you need and stick to them.

**5.** Identify areas of expenditure with a high cost and plan for them by setting aside money each month into a savings account – eg. holidays, cars, xmas etc.

**6.** Avoid debt other than for planned big budget items like houses or cars. Aim to live within your means at all times. Where debt is unavoidable, make sure you get the best terms you can, draw up a debt repayment plan and make sure you pay it off as quickly as possible.

**7.** Don't make your spending plans too tight. If you do, you're less likely to stick to them.

**8.** Discuss your budget plans with your partner and get them to share their plans with you.

**9.** Build up an emergency fund equal to at least three months income so that you can avoid debt as a result of any unexpected spending.

**10.** Finally the most important tip. Your budget is not about stopping you spending money. Just the opposite in fact. It's all about helping you to spend money more effectively and in areas that you want to spend it. Use it as a positive tool to help you control your money rather than allowing your money to control you!