



Financial
health &
wellbeing



Support for life

How to Budget



Illness, redundancy and bereavement are just some of life's hurdles that can cause money worries if they prevent you from working. For many people it would only take one or two missed pay cheques to put their finances under pressure.*

By understanding your exact income and outgoings, you can start creating a buffer to help you cope if you do experience a financial shock.

*63% of those on an income between £15 - £25,000 don't have a month's savings

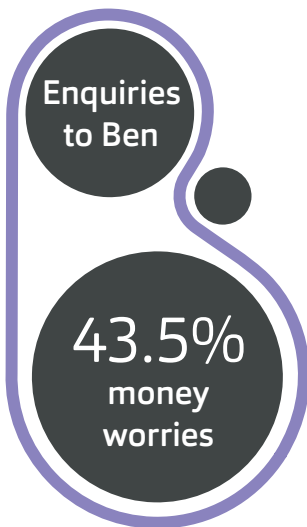
* StepChange Debt Charity commissioned online survey from YouGov PLC from Held Back by Debt report September 2015

A budget is a record of how much money you have coming in (your income) and how much money you have to pay out (your spending). Budgeting can help you to see exactly where your money is going, work out what you can afford, plan for future events and save for the future.

How to get started

To get started on your budget you will need to work out your income from wage slips, benefit letters or invoices and how much you spend on:

- Household bills (gas, electricity, water, phone and broadband, council tax, tv licence)
- Living costs (food, clothing, childcare)
- Financial products (insurance, loans, credit cards)
- Family and friends (presents, celebrations)
- Travel (car costs, public transport)
- Leisure (holidays, sport, restaurants, going out, tv subscriptions)



You can get this information from bills, bank statements and receipts. However it is very easy to forget how we spend our money, so it may be useful to keep a spending diary in the beginning.

What are your financial priorities?

There are two types of financial priorities: current and long-term. Top current priorities should include paying your mortgage or rent, council tax, car payment, utilities, child care, food, mobile and household bills and priority debts. The next level might be things like clothing, leisure, and evenings out. It could also include saving to give yourself a financial buffer. A long-term priority might be saving for retirement once you've got on top of your current spending.

How to set your budget

Once you've got a good picture of your situation, you'll first need to check whether you've got enough coming in each month to cover your fixed outgoings. If your outgoings are more than you're earning, what changes do you need to make to your income or spending? If you're not in debt, then how do you need to adjust your spending to match your priorities? What spending can you do without or reduce?

Create a habit

Setting a budget is not a one-off thing, it's important to keep checking against your budget, as costs/income may change

Five budget methods

1. Pen and paper
2. Spreadsheet
3. Free online apps
4. Bank or building society online tools
5. Financial software

Further sources of help

- The Money Charity
<http://themoneycharity.org.uk/advice-information/living-budget/>
- Stepchange Debt Charity
www.stepchange.org/7days7ways.aspx
- Money Advice Service
www.moneyadviceservice.org.uk/en/tools/budget-planner
and
www.moneysavingexpert.com/banking/Budget-planning
- Excel Templates
www.spreadsheets123.com/ExcelTemplates/budgets.html

www.ben.org.uk

f /BenSupport4Auto
 @BenSupport4Auto

Free, confidential helpline:
08081 311 333

Ben - Motor and Allied Trades Benevolent Fund. Lynwood Court, Lynwood Village, Rise Road, Ascot SL5 0FG. A charity registered in England and Wales (no.297877) and Scotland (no.SC039842). Registered with the Homes and Communities Agency (no. LH3766).

ben
 Support for life