



**Are you worried  
about money?**

**Do you run out of  
cash before the end  
of every month?**

# **Your Brilliant Budget Buster**

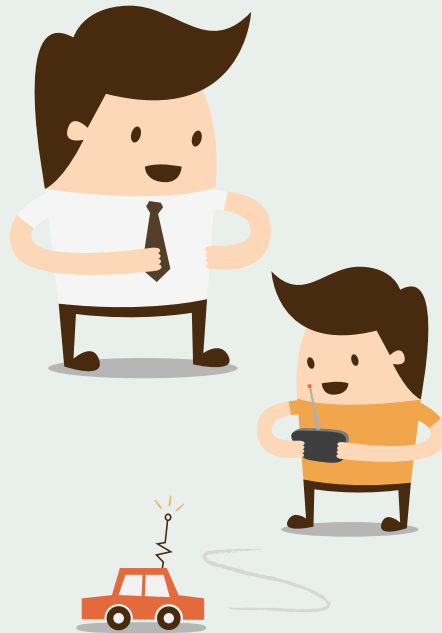
It's time to take control of your finances.

**For many of us, keeping track of money can be really hard but it's never been more important. The best thing you can do is to create a budget. This sounds a bit complicated if you've never done anything like this before but we are here to help.**

**Jamie is a single parent with two children aged five and three years.**

Jamie struggles to manage his money, so we asked him to keep track of what he spends on food, treats and essential items using the Spending Diary. He now needs to create a monthly budget plan to include all his bills and other regular monthly outgoings but he isn't sure where to start.

**It sounds difficult but it really helps to know what you've got coming in and going out every month.**



# Why?

## **1. A budget ensures you don't spend money that you don't have.**

If you create and stick to a budget, you'll know exactly how much money you have coming in, how much you can afford to spend each month and how much you need to save.

## **2. It helps you prepare for emergencies.**

If you lose your job, become ill or the washing machine breaks, it can lead to some serious financial problems. Of course, it seems like these emergencies always arise at the worst possible time - but by preparing a budget and keeping a close eye on your spending you can put some money away each week so you have an emergency fund when the unexpected happens.

## **3. It sheds light on bad spending habits.**

Building a budget helps you to take a close look at your spending habits. You may notice that you're spending money on things you don't need. Budgeting allows you to re-think those habits and re-focus your financial goals.

## **4. It helps you keep your eye on the prize.**

A budget makes it easier to map out your goals. It's no fun when you realise that brand new Xbox game or the gorgeous dress in the shop window doesn't fit into your budget, but when you remind yourself that you're saving up for something you really need, it will be easier to turn around and walk out of the shop empty-handed, and more rewarding when you finally reach your goal.

## **5. It's better than counting sheep.**

Following a budget can also help you to sleep better. How many nights have you tossed and turned worrying about how you were going to pay the bills? People who lose sleep over financial issues are allowing their money to control them. Take back control.

# Next steps...

There are four stages to doing a budget but first things first, have you completed the Spending Diary?

If not, contact us for a copy.

## OK let's get started!

### 1 – Make a list

Include all of the money coming in and all of the money going out. How much and how often?

### 2 – Change the numbers

Do you have things coming in and out of your account at different times? Are some bills due monthly and others quarterly? You need to choose the best way forward. Do you want a weekly budget plan or a monthly? Don't worry, we'll show you an easy way to work this out.

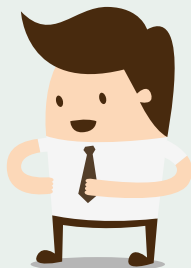
### 3 – Make a plan

Once you have decided how you want your budget plan to look (weekly or monthly) and you have changed the numbers, you then need to enter this onto your budget sheet.

### 4 – Look at it again

Have you included everything? Is it realistic?

It sounds like a lot of work but it really is worth it! Keep reading for our step by step guide.



# 1 – Make a list

Here is Jamie's list...

What?	How much?	How often?
Water	£6.54	Weekly
Bus fares	£10.00	Weekly
Groceries	£370.00	Monthly
Gas	£156.00	Quarterly
Mobile	£5.00	Weekly
Electricity	£15.00	Weekly
Catalogue	£21.30	Monthly
Loan	£17.50	Weekly
Benefits	£367.40	Fortnightly
Council Tax	£2.11	Weekly
TV Rental	£30.99	Month
TV Licence	£145.50	Yearly
Miscellaneous	£20.00	Monthly

I'd forgotten all about the TV licence until I checked my bank statement to see if I'd missed anything.



# 2 – Change the numbers

Jamie should do a monthly budget, because that's how often he does his big supermarket shop and he will soon be switching to Universal Credit which will be paid monthly. That way, he'll know how much he can afford to spend and make sure his money lasts all month.

But how does he change weekly, fortnightly, quarterly and yearly amounts into monthly ones?

We will use something called the Cash Converter.

## Cash Converter

All you need to know is what type of figure you've GOT and what type of figure you WANT. Don't fall into the trap of thinking each month is 4 weeks. It isn't that simple and your figures won't add up.

Don't worry, everyone finds this a bit confusing at first as some months have 5 weeks and some have 4 but the Cash Converter on the next page shows you how to get accurate figures.

Ok that makes it easier, I can just stick the numbers in the calculator



# Cash Converter

	You've got:	You want:	Times by: x	Divide by: ÷
A	Weekly	Fortnightly	2	
B	Weekly	Monthly	52	12
C	Fortnightly	Weekly		2
D	Fortnightly	Monthly	26	12
E	Monthly	Weekly	12	52
F	Monthly	Fortnightly	12	26
G	Quarterly	Weekly	4	52
H	Quarterly	Fortnightly	4	26
I	Quarterly	Monthly	4	12
J	Half-yearly	Weekly	2	52
K	Half-yearly	Fortnightly	2	26
L	Half-yearly	Monthly	2	12
M	Yearly	Weekly		52
N	Yearly	Fortnightly		26
O	Yearly	Monthly		12

## Mind the trap!

Most people assume there are four weeks in a month but this is wrong! Some benefits, including Tax Credits, are paid every four weeks so this is not the monthly amount.

	You've got:	You want:	Divide by: ÷	Times by: x	Divide by: ÷
P	Every 4 weeks	Weekly	4		
Q	Every 4 weeks	Fortnightly	4	2	
R	Every 4 weeks	Monthly	4	52	12

# Here are some examples...

Jamie pays £6.54 weekly for water, he needs the monthly cost.

Using **Row B** of the Cash Converter, he needs to times by 52 then divide by 12.

$$6.54 \times 52 = 340.08$$

$$340.08 \div 12 = \text{£}28.34$$

He gets benefits of £367.40 every fortnight. How much is he getting every month?

Using **Row D** of the Cash Converter, he needs to times by 26 then divide by 12.

$$367.40 \times 26 = 9552.40$$

$$9552.40 \div 12 = \text{£}796.03$$

Jamie pays £156 per quarter for gas. How much is this a month?

Using **Row I** of the Cash Converter, he needs to times by 4 then divide by 12.

$$156 \times 4 = 624$$

$$624 \div 12 = \text{£}52.00$$



Now I have all the figures I can use a budget sheet to put it into order.

# Budget Sheet

Money In	£	Money Out	£
Wages		Mortgage/rent	
		Council tax	9.14
Benefits	796.03	Gas	52.00
		Electricity	65.00
		Water	28.34
Tax Credits		Insurance	
		Groceries	370.00
Child Support		TV licence	12.13
		Phone & internet	21.67
		Travel	43.33
		Fine repayments	
Pensions		Loan repayments	75.83
Other		Clothes (catalogue)	21.30
		Pets	
		Childcare	
		Prescriptions	
		Entertainment/hobbies	
		TV rental	30.99
		Miscellaneous	20.00
<b>Total In (box A)</b>	<b>£796.03</b>	<b>Total Out (box B) £</b>	<b>£749.73</b>
<b>Total Money left (box C)</b>			<b>£46.30</b>

To work out how much money you have left, do this sum:-

<b>Box A</b>		<b>Box B</b>		<b>Box C</b>
£796.03	-	£749.73	=	£46.30

# Look at it again

If, like Jamie, you forget some of the things you spend money on, don't worry! This usually happens first time round. Simply change the numbers and you'll know exactly how much money you have coming in and going out each month.

Refer back to your spending diary to make sure you are including all your weekly spending.

If the numbers don't make sense to you, ask yourself these questions.

## Have I forgotten anything?

Christmas and Birthdays  
Emergencies  
Children

## Are my outgoings realistic?

Do I really spend that amount on groceries?

That can't be right. I never have 40 quid left at the end of the month!



# Now it's your turn...

## 1 – Make a list

Use the blank list at the back of this booklet and write down everything you can think of.

## 2 – Change the numbers

Decide whether you want to budget on a monthly, weekly or fortnightly basis. Use the Cash Converter sheet to change the numbers.

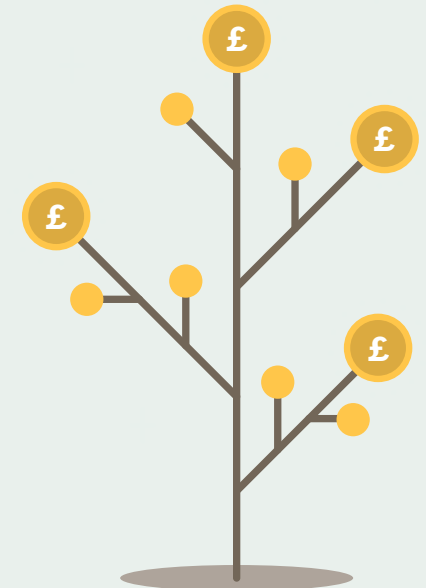
## 3 – Make a plan

Once you have changed the numbers to fit your plan, put them all on the budget sheet and see what's left.

## 4 – Look at it again

Have you forgotten anything? Is it realistic? Don't expect it to be right first time. You might need to keep tweaking!

**Good luck!!**



What?	How much?	How often?

Don't forget to check your bank statements or online banking to help you remember everything.

Money In	£	Money Out	£
Wages		Mortgage/rent	
		Council tax	
Benefits		Gas	
		Electricity	
		Water	
Tax Credits		Insurance	
		Groceries	
Child Support		TV licence	
		Phone & internet	
		Travel	
		Fine repayments	
Pensions		Loan repayments	
Other		Clothes (catalogue)	
		Pets	
		Childcare	
		Prescriptions	
		Entertainment/hobbies	
		TV rental	
		Miscellaneous	
<b>Total In (box A)</b>	<b>£</b>	<b>Total Out (box B)</b>	<b>£</b>
<b>Total Money left (box C)</b>			<b>£</b>

**How did you get on? Are you feeling more in control of your finances?**

Don't worry if it wasn't quite right first time, it can take a while to get used to. We would love to know how you got on.





For further information contact us:

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[Redacted Facebook profile]



LOTTERY FUNDED



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