

BUDGETING STEPS

Making a budget and sticking to it

Work out your *monthly income*

If you get paid weekly, times it by 52 and divide by 12. Include:

- Take-home pay
- Benefits
- Pension
- Child Maintenance

Take away your *outgoings*

Include everything you spend, including:

- Mortgage or rent
- Bills
- Debt repayments
- Travel costs
- Food, entertainment, clothing

Find out *what's left*

- If you've got money left over, think about adding to a savings pot
- If you're spending more than you earn, you may need a budget plan



Which *budget plan* is right for you?



A: REVERSE BUDGETING

Adjust your personal spending to fit whatever's left.



Set aside money for bills and how much you want to save.

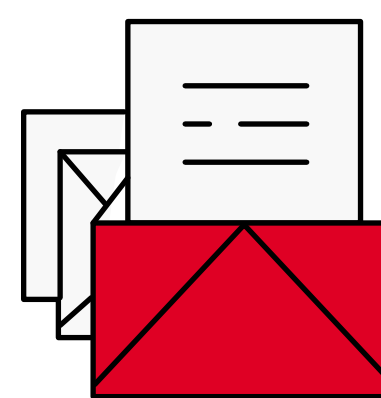


Work backwards from your spending and savings goals.

B: THE ENVELOPE SYSTEM

Allocate your money into smaller pots at the start of each month. Once a pot is empty, don't spend until next month.

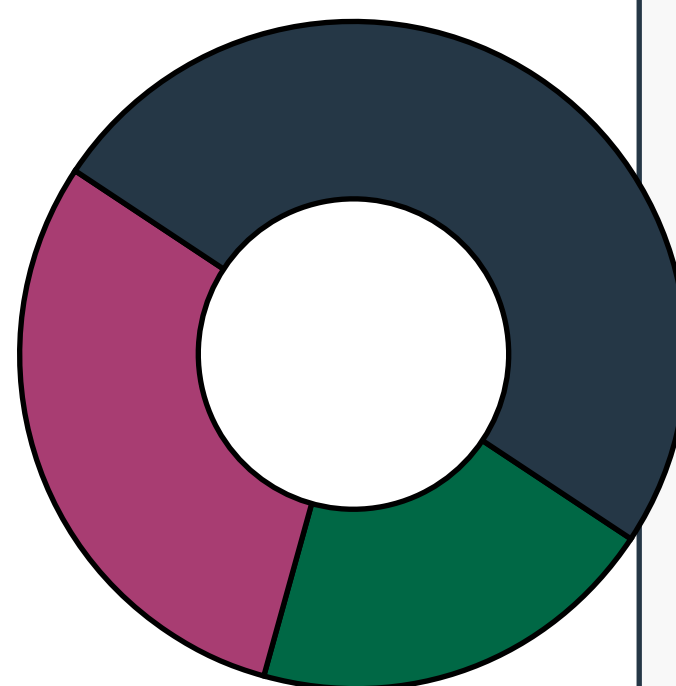
✉ Rent ✉ Travel ✉ Food ✉ Clothing



C: THE 50/30/20 PLAN

Divide your monthly income into three categories:

- | | |
|----------------------------|----------------------------|
| ● 50% on essentials | ● 30% to spend |
| 🏠 Rent or mortgage | 📺 Entertainment |
| 📠 Household bills | 🎁 Birthdays & celebrations |
| 🚗 Car costs | ☀ Holidays |
| 🛒 Food shopping | |
| 📶 Internet & phone | ● 20% to set aside |
| | ⚠ Emergency fund |
| | £ Pay off debts |



Top 5 budget tips

1. Set *realistic goals*

If your goals are unachievable, it's easy to feel like giving up.

2. Pay bills *automatically*

Direct debits and standing orders help you pay bills on time – and avoid extra charges.

3. Review your *budget often*

You might get a pay rise at work. Your priorities might change.

4. *Connect* your spending to your work

Work out how many hours of work a purchase would cost you. If it doesn't feel worth it, don't buy it.

5. Stick to a *lower credit card limit*

Credit cards with high limits are easy to build up and hard to pay off.

