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Letchworth Financial Health

Budgeting

Information Session

March 2024

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Why Budget?

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Advantages of budgeting

- To know if we can afford to pay our bills

Consequence of not budgeting

- Insufficient funds for essentials items

Budget Planners

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- Preparation
  - Income & Expenditure
  - Fixed or Variable
  - Converting to the same frequency (see next slide)
- Paper based
- Online budget planners:

Money Helper
NATIONAL DEBTLINE
£uids in!

Conversions

Any payment or receipt which is not made monthly will need to be adjusted to show the monthly equivalent amount.

- Example: If you spend £80 on your weekly shop
  - Your monthly spend is £80*52/12 = £346.67
- Example: If you receive a £250 benefit payment every two weeks
  - Your monthly income is £250/2*52/12 = £541.67

Frequency	Adjustment
Annually	Divide by 12
Weekly	Multiply by 52 then divide by 12
Every 2 weeks	Divide by 2, multiply by 52 then divide by 12
Every 4 weeks	Divide by 4, multiply by 52 then divide by 12

Spending Diary

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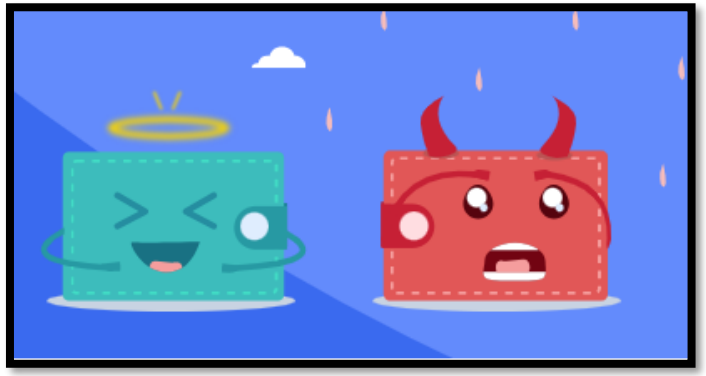
Day	Category	Item	Amount	Method	Want or Need?
Mon	Personal	Haircut	£28	Cash	Need
Tues	Travel	Train to London	£18	Card	Want
Tues	Entertainment	Lunch with friends	£25	Cash	Want
Wed	Groceries	Morrisons – additional shop	£30	Card	Need
Wed	Personal	Toiletries from Superdrug	£15	Cash	Need
Thurs	Travel	Petrol	£45	Card	Need
Fri	Entertainment	Cinema – 2 adults	£19	Card	Want
		Total	**£180**		

The Spending Demotivator



Spending Apps

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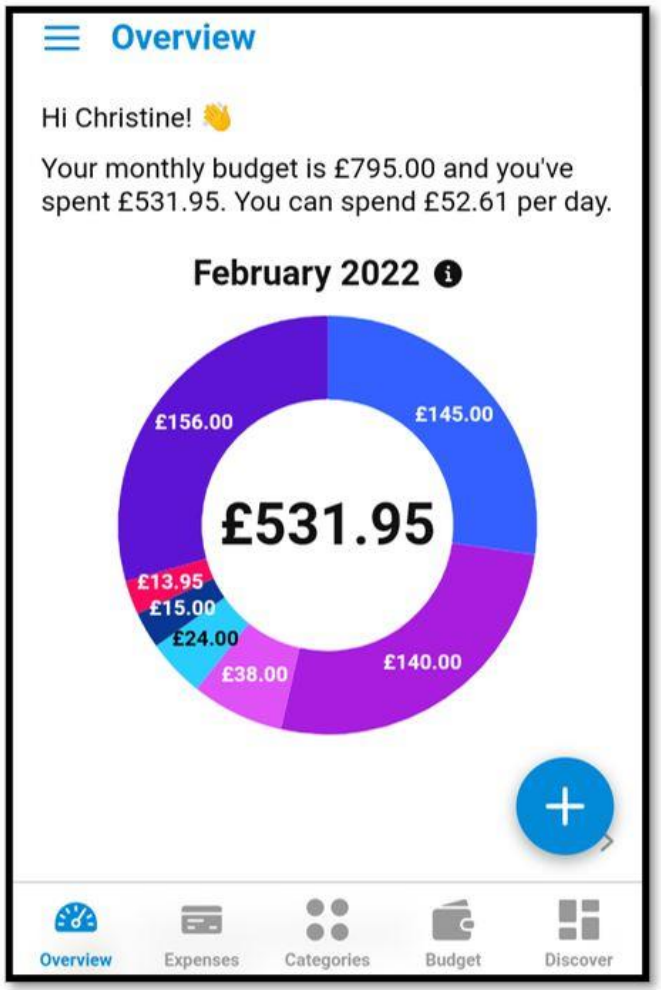

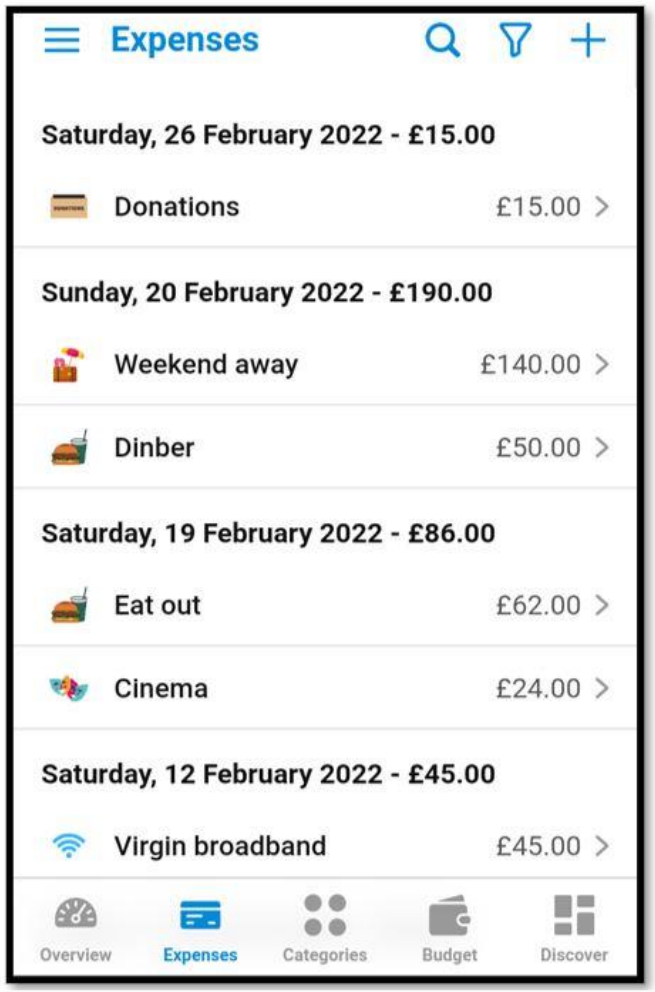

Simple Budget Example

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Item	Income	Expense
Wages	£1,500.00	
Benefits	£1,000.00	
Tax Credits		
Rent		£900.00
Council Tax		£250.00
Gas & Electricity		£230.00
Water		£35.00
Groceries		£500.00
Mobile Phone		£15.00
Entertainment		£50.00
Broadband		£65.00
Presents - Children		
Takeaways		
TV licence		
Weekly incidentals		£20.00
Store card repayment		£20.00
Other expenses		
Total	£2,500.00	£2,085.00
Difference	£415.00	

Next steps after creating our budget

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- Good Practice
  - Do a “Money Makeover” – Reduce costs and/or boost income
  - Use Piggy banking/Jam jarring
- Monthly balance greater than zero ☺
  - Save
  - Indulge – holiday/high ticket items
- Monthly balance less than zero ☹
  - Identify priority and non-priority spending
  - Agree affordable repayment plans with creditors
  - Explore different ‘self-help’ debt management options
  - Seek expert debt management help if it’s complex or an emergency
  - Contact us - Citizens Advice North Hertfordshire (northhertscab.org.uk)

Money Makeover

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- Do a “Money makeover” - Money Saving Expert
- Consider:
  - Cheaper Broadband
  - Water meter – water saving gadgets
  - Cut your digital TV costs
  - Cancel DDR for things you do not use/need
  - Food Shopping – Use own brands or value brands
  - Check if you qualify for a council tax discount

Information & Support

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- Search for Citizens Advice North Herts in your browser
- Visit our website
- Click this icon to access our "Free Information Sessions"

- From this page you can also visit:
  - Letchworth Financial Health Project
  - Useful Links Page
  - Frequently Asked Questions
  - You will have access to slides & handouts for each of our sessions

- Other organisations who can also help:
  - MoneyHelper
  - HertsHelp

Quids in! Money Guidance

Thank you ☺

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- Complete the Feedback form
- Information sessions available:
  - Bank & Saving Accounts
  - Being Consumer Savvy
  - Budgeting
  - Choosing Credit
  - Cost-of-living Support
  - Energy Savings
  - Scam Awareness
  - Understanding Debt