



# How to Budget

Better ways to  
manage your money.

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Budgeting is a way of understanding your own money situation, knowing what money you have coming in and what you have going out.

It's also the first step to take if you are struggling with debt as it helps to show exactly how much money you have available to offer your creditors.

A budget is a list of the income you receive each month and all items you spend money on. Making a budget is the first step towards being in control of your finances.

When you can see where your money is going it is easier to make savings and make sure that you account for all your needs. We recommend that you make all the figures in your budget calendar monthly because most of your bills and debts require a calendar monthly payment.



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**How to calculate calendar monthly figures:**

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Weekly to monthly:  
Multiple weekly amount by 52 and divide by 12 to get calendar monthly figure.

**Four weekly to calendar monthly:**

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Multiple 4-weekly by 13 then divide total by 12 to get calendar monthly figure.

**Quarterly to calendar monthly:**

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Multiple quarterly figure by 4 then divide by 12 to get calendar monthly figure.

*How to create a Budget.....*

*First, make a list of everything you spend each month.*

Make sure you include amounts for spending even if you only pay for something once a year, such as Christmas, car repairs and vets bills. You need to divide the yearly bill into 12 instalments and include the monthly figure in your budget so that you can set aside the money until your bill is due. If you are not sure what you are spending your money on, try writing down everything you buy over a month. This will give you a clearer idea of your regular spending.

*Finally deduct the total amount you spend each month from your monthly income.*

If you have money left over after you have paid for everything you have a budget surplus.  
If you spend more money each month than you receive each month you have a budget deficit.

## Log on to [www.debtaction-ni.net](http://www.debtaction-ni.net) and download the Budget Planner.

The information below gives you ideas on ways to reduce your spending....

### Utilities



See if there is a cheaper utility provider in your area. Visit price comparison websites to compare prices of gas and oil suppliers in your area. Also, consider a pre-payment meter to help you manage utility payments.

### Telephone



Look to see if you could reduce your telephone bills by switching to a better deal, for example one that offers free evening and weekend calls.

### Mobiles / Internet



To look for the best deals on your mobile and internet packages, visit one of the impartial price comparison sites available on the internet. Also, remember to cancel any mobile phone insurance once your contract has ended.

### Satellite / Cable TV



Contact your supplier to investigate the options available to reduce your subscription to the minimum package. Or you could switch to a cheaper or free supplier, for example Freeview.

### Vehicle Expenditure



Are all the vehicles in your household essential? You could sell a car if it is not needed on a day-to-day basis.

### Food, Toiletries & Cleaning



You could look to switching to own brand products or making use of special offers that are available in the supermarket.

### Meals at work



In general it works out cheaper to take your own lunch.

### Budget for one-off expenses



Some expenses only happen occasionally, like Christmas and holidays. Work out how much you will spend in the year on these, divide that amount by 12, and put the money away each month until the expense or bill is due. Also, check out the Save for Christmas resource on Advice NI website [www.adviceni.net](http://www.adviceni.net)

### Check your bank



Make sure you are checking your bank account regularly and that there is enough money to cover any direct debits or bills.

### Use Cash



Using cash will help you control your spending as you can only spend what you have.

### Shop around



Use price comparison sites. If you want to buy something, decide if it is something you just want or something you need. Shop around at stores and online to find the best deals. Always check receipts to ensure you have not been overcharged or charged twice for the same product.

### Cut back on your spending



You don't need to make big changes to your lifestyle to save money. Cutting back on the little things you buy can make a big difference. For example, if you spend £2.00 on a sandwich every day this adds up to £54 every month.

### Deal with your debts



If you have debts and are struggling to pay them you should contact one of our debt advisors immediately.

### Check your direct debits



If you pay things by direct debit make sure you know what you are paying for. Check you aren't still paying for any services you don't use any more.

### Save money



You should consider saving some money every month as this will help you budget for any emergencies, or will help you plan for a secure financial future. Even if you only save a small amount each month you will find that it quickly adds up.

*For further help and advice including  
information on Debt Advisors in your area  
contact:*

**Debt Action Northern Ireland**  
[www.debtaction-ni.net](http://www.debtaction-ni.net)



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