



Oxfordshire Adult Autism Diagnostic and Support Service



Budgeting and Managing Money



Managing Money



Good money management can mean many things – from living within your means, saving for short and long-term goals, or to having a realistic plan to pay off your debts.



Planning your budget: a step-by-step guide



A home budget is a spending plan that takes into account your monthly income and expenditure, so that you have a clear idea of where your cash goes.

If you have a financial goal – such as ridding yourself of debt, a budget plan will help you work towards this.



What's a budget and why do we need one?



A Budget Plan, will help you to keep on top of your outgoings, making sure you don't spend more than you earn each month and helping you to live within your means.

Making sure your budget reflects your every day expenses and income as closely as possible means you're more likely to follow it, balancing your earnings and spending effectively.

Your Budget will need to be reviewed every time your financial situation changes.



1. Get organised and take your time



It's a good idea to set aside at least an hour before you begin planning a budget.

Doing it in a rush is likely to mean you make mistakes.

Also, it makes sense to gather together all the paperwork you'll need before getting started – so get hold of:

- a few months' worth of bank statements
- your recent credit card bills
- copies of your household bills
- details of your savings and pension contributions
- information on any other incomes you may have.



2. Add up your income



Next, you need to calculate your income:

Make a list of your regular earnings from employment (after tax and National Insurance has been deducted.)

If you are currently claiming Benefits you will need a list of everything you are claiming and how much you are receiving.

Make sure you don't focus only on monthly income.



3. Work out how much you're spending



Look at your bank statements, household bills and credit card bills to ensure you have a realistic idea of where your cash is going.

Remember to take into account occasional spending, not just monthly expenditures. Think about the cost of Christmas, birthdays, insurance policies, your MOT and your annual holiday.

Add costs like these into your list of expenses – ideally in a separate section.



4. Work out how much you're spending



Once you're sure you've included everything you need to, add up your weekly/monthly/yearly spending.

Remember that weekly expenditure should be multiplied 4.33 to get a monthly total



5. Compare what's coming in and going out



Now it's time to look at your income and spending totals alongside one another.

Take your annual and monthly expenditure totals away from your annual and monthly income figures.

What you're left with will be the yearly and monthly surpluses – or shortfalls – in your finances. A shortfall will be indicated by a negative number.



6. Compare what's coming in and going out



Even if you find you have more money coming in than going out, it's still a good idea to draw up a budget plan. Making a budget will allow you to ensure you keep spending sensibly, and could help you find extra opportunities to save for the future or pay off debts more quickly.

Meanwhile, if you discover you're spending more than you earn at the moment, making a budget is a crucial task you shouldn't put off. If your expenditure regularly exceeds your income, you'll drift into debt – and if you don't address the situation, you could find yourself in a downward financial spiral it's difficult to escape.



7. Draw up a budget you can stick to.....



Be as realistic as possible when budget planning. It should consist of what you intend to spend each month, and in some cases each year, on key things – but remember there are certain costs that will be impossible or very difficult to cut, while others will be easier to tweak.

Small changes such as not buying a takeaway coffee every day could make a big difference to your budget over the long-term.



8. Draw up a budget you can stick to....



Meanwhile, changes to your lifestyle that you'll barely notice – such as switching your current account, credit card provider or energy deal – could help to balance your budget without the need for cut-backs.

Once you've drawn up your budget, it's important to keep an eye on how faithfully you're sticking to it – particularly in the first few months.

Keep a spending diary to make sure you're not spending more than you think

Movie Time



The following video clip is taken from
Martin Lewis' website

<https://www.moneysavingexpert>

<https://www.youtube.com/watch?v=WCQFgMAVcUQ>



Practical Session

Time to try some sample Budgets

