

If you are on a low income or struggling to make ends meet, you may need help with budgeting in order to ensure you understand how to manage your finances in the best way.

## How to work out your budget

To do this, you will need to work out how much money you have coming into the household and how much goes out. Doing this will help you to see where your money is going and how much you have left over to last you until you are next paid.

**Listing your income** – ensure that you are listing all income that is coming into the household. Be honest and make sure that the figures are realistic as not doing so can cause for your budget to be inaccurate. Income will include:

- Wages/salaries
- Benefits
- Maintenance from an ex-partner and
- Contributions from household members.

**How much you spend** – This should show all your spending, known as outgoings. This should include:

- Housekeeping – Including food, toiletries, school dinners/meals at work, cleaning materials, smoking products, pet food and pocket money.
- Housing – Rent, mortgage, secured loans, home and contents insurance and service charges.

- Council tax
- Gas/electricity and water charges
- Phones
- Travel expenses – this will include both public transport and the cost of running a car (road tax, car insurance, MOT and maintenance.
- Childcare costs
- TV license
- Clothing
- Medical and dental expenses.

## Comparison sites

The use of comparison sites may help you get the best deal on certain bills such as:

- **Energy** – Some providers are cheaper than others depending on the area that you are living in. Even if you have recently moved into a new property, it is always best to check you are getting the best deal rather than staying with the current provider for the property just in case!
- **Mobile phones** – If you are on pay monthly or Pay as you go (PAYG) checking if you are on the right deal is always best. If you are due an upgrade but do not require a new phone, it may be cheaper to go onto a Sim only deal which can help reduce the amount you are spending each month as these are a lot cheaper. If there are multiple mobiles in the household, it may be a good idea to look into ‘Family packages’ as this can save you quite a bit of money.
- **Insurance** – This can include insurances for many things: car, home, travel, pet, life insurance and many more. Having content insurance in place could help you replace damaged items in an unexpected event such as fire or flood in the home.

- **TV and Broadband packages** – Many companies may have discounted prices for a certain period of time e.g. 12 months. Although the cost may increase once this time has passed, this will still be more cost effective in the long run.

## Broadband Social tariffs

Social tariffs were introduced to help households who are vulnerable and offers discounted price plans/reductions on bills. To qualify for a social tariff, you need to be receiving one of the following:

- Universal credit (with zero earnings)
- Jobseekers allowance
- Income support
- Income-related employment and support allowance
- Pension credit
- Housing benefit
- Personal Independence payments

Find details of social tariffs here - <https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/costs-and-billing/social-tariffs>

## Spending diary

If you are unsure where the remainder of your money is being spent after bills, it may be a good idea to keep a diary where you can keep an eye on where you are spending a 'little' here and there. Doing this can help you see if you have calculated your budget correctly. (For example – If you have noted that you are spending £20 per week on food, however, your spending diary is showing that you are purchasing food items from your local corner shop each week totalling £10 per week, then your weekly shop figure should be altered to £30 per week).

## Benefit check

If you are in receipt of benefits, it may be a good idea to check to see if you are getting the correct amount. A benefit calculator can be used to input your information and in turn this will inform you of what you 'roughly' should be getting based on the information you have provided. Always ensure that you are keeping DWP (The Department for Work and Pensions) informed of any changes of circumstances as this could also mean that you may be entitled to more than you are receiving.

# Money worries?

## Don't know where to turn for help?

We have a team of money advisors who offer free, confidential money advice that is designed to find a solution that works for you. We can help you plan a budget, ensure you are getting all the benefits you qualify for and offer ongoing support so you don't struggle again.

**This is a free service so call us on 0345 60 20 540 and ask to speak to a money advisor.**

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confidential  
**ADVICE**

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