

## FACT SHEET

# Making a budget

### Why does budgeting make a difference?

If you've got a clear budget it's easier to work out where you're overspending and how you can make your money go further.

When you've got targets, you can make the right choices to keep things on track. Use this fact sheet with our monthly budget planner available on our [website](#) and take control of your spending.

### How do I budget?

- 1) Download a copy of our monthly budget planner and get a calculator.
- 2) Make sure you've got any bank statements or receipts handy so that you can check that your spending estimates are as accurate as possible. You also need to add up all of your outstanding debt from loans and credit cards.
- 3) Follow each step and be honest about your spending in each area. Once you know where you are it's easier to take steps to improve.
- 4) For things that you don't pay on a monthly basis, add up how much you spend and how often. If this is weekly, multiply the amount by four and if it's annually divide by 12.
- 5) When you get to the end, calculate how much you've got going out against what comes in.
- 6) If you've got some money left over that's great. Even so you may find it helpful to look at what you're spending and see if you can set yourself bigger saving goals.
- 7) If you're spending more than your income, have another go at each step and see if you can make things balance by cutting back on other areas. This might be a case of trying out different options, but start with costs you can easily change.
- 8) Once your budget balances, put it up somewhere as a reminder and keep an eye on your spending throughout the month to make sure you're sticking to your targets.



### How do I know what to cut back on?

- Start cutting back on treats and non-essential spending first. Budgeting is all about priorities so you always need to cut back on non-essentials if they'll mean you can't pay your rent or bills. Reducing your spending on things like days out and treats will give you some quick wins.
- After you've cut back on these things, see if you can make extra savings on your bills. We've got some tips about how to do this over the page.
- Remember that your budget is flexible. You might need to give up takeaways for a few months or cancel your subscriptions temporarily, but this doesn't mean you can never have these things. If your budget isn't balancing, making small sacrifices will help you get back on track. Once you have extra money left over again, you can think about adding in more treats.

## How do I get the cost of my bills down?

- Contact your suppliers and use price comparison websites to find the best deals. If you'd rather stay with your current supplier, you can always give them an example of a better deal and ask them to match it. This is definitely a good idea for phone and broadband packages or any kind of insurance.
- If you use public transport or taxis regularly, can you walk more of the way or find a way to get your fare down? It's also worth visiting a car sharing website to see if you can split your journey costs with someone else.
- Do what you can to cut down your usage on bills you can control. Some water suppliers offer free gadgets to help you use less water, such as shower timers and tap aerators. For electricity, you can make small changes like switching off lights and cooking a few things in the oven at once rather than using it several times.

## How can I spend less on groceries?

- Swap any branded groceries for own-brand cheaper alternatives. You might want to go back to branded for some items, but you might find that there are some own-brand ones you prefer.
- Cook your meals from scratch and use leftovers for lunch. There are so many websites offering free recipes and cooking tips if you need help.
- Keep an eye out for vouchers before you go shopping. Most shops have regular sales and deals, so it's worth waiting for one before you buy.



## What's the best way to repay my debts?

- While you shouldn't borrow more money to solve your debt, you can sometimes replace current borrowing with cheaper borrowing. If you can pay less interest elsewhere, more of your money will go to paying back the debt rather than the interest.
- Visit a free debt-advice agency or [www.moneysavingexpert.com](http://www.moneysavingexpert.com) for help.

## Get spending savvy...



Money Saving Expert Martin Lewis has some great advice about stopping spending and living within your means. He suggests that you:

- ask yourself what's the best lifestyle you can have within your income, rather than asking yourself how you can have everything you want within your income
- think about all of your purchases carefully by checking if you need them, if you can afford them and whether you can get them cheaper anywhere else
- think about the cost of any purchases in terms of hours of work or proportion of your weekly income and then decide if it's still worth it.

To read his full list of ideas and more budgeting tips, visit [www.moneysavingexpert.com](http://www.moneysavingexpert.com).

## Where can I get more help?

- Visit our website to apply for help from one of our tenancy support advisors or someone in our Employment and Training team.

Sovereign Housing Association Ltd  
Woodlands, 90 Bartholomew Street  
Newbury RG14 5EE  
Phone: 01635 572220  
Website: [www.sovereign.org.uk](http://www.sovereign.org.uk)

Sovereign Housing Association Limited is charitable