

Managing your money

Keeping a regular eye on your money will help you stay in control. Drawing up a budget can help you know where your money is going, avoid or get out of debt and make decisions about your finances.

Firstly choose whether you are going to draw up a monthly or a weekly budget. Then list all of the money that you have coming into the household. This may include wages, benefits, tax credits and pensions. You may need to change some of the figures from weekly to monthly or the other way round.

The next step is to find out how much money is going out. Some of these will be fixed amounts that are the same each week, month or year, such as rent, council tax, tv licence or car tax. Other bills will vary, and it is a good idea to take an average of your telephone, electricity and gas over a full year.

It can be difficult to work out how much money is being spent on food and household items, so keeping a spending diary for a month will help you keep track.

Don't forget to budget for items that you buy only occasionally like birthday presents, clothes and hair cuts.

It is important to be honest and realistic when drawing up a budget, as you may need to stick to it for some time.

A handy template budget sheet is available here: [Money Advice Service - Budget Planner](#)

There is also an online budget calculator available here: [Money Advice Service - Savings Calculator](#)

The Money Advice Service publishes a useful leaflet about budgeting which is available here: [Money Advice Service - Guides](#)

If you find that your budget shows that you don't have much money left over, you may need to look at how you can reduce your spending.

It may be possible to make small cut-backs on non-essential items, so you should look at whether there is anything that you could do without until you get back on track. This calculator shows how much you could save: [Money Advice Service - Cut Back Calculator](#)

You may also be able to save money by switching your telephone, internet, insurance, electricity or gas services to different suppliers. There are lots of internet sites that help you to compare providers. Remember that many of these sites are not independent and receive commission if you decide to switch suppliers. Consumer Focus has accredited the following comparison websites as complying with their confidence code:

- [MoneySupermarket.com](#)
- [Confused.com](#)
- [SimplySwitch](#)
- [uSwitch.com](#)
- [switchthenation.com](#)
- [Which? Switch](#)
- [Energylinx](#)
- [UKPower.co.uk](#)
- [TheEnergyShop.com](#)
- [Fuelswitch.com](#)
- [Unravelit](#)
- [energyhelpline.com](#)

The Financial Services Authority also has tables and calculators to help you compare different financial products such as loans, credit cards and insurance. Their website is available here:

www.moneymadeclear.fsa.gov.uk