

MONTHLY GATESHEAD HEALTH STAFF ADVICE BULLETIN

ISSUE 17: QUICK PRACTICAL BUDGETING TOOL

Every week that passes, our finances change one way or another, and it's hard to keep track of exactly what you are paying for, what you can afford and what you can do without. At Citizens Advice Gateshead, we recommend that you periodically check your household finances to see what impact recent changes have had, so this month's newsletter is a practical guide to doing exactly that.

The tool will be most useful if you give accurate figures, but you can use rough figures if you just want a general idea of your budget. To get the best results, gather your most recent bank statements, pay slips, credit and debit card statements and any receipts you have for things you usually pay for in cash.

Some rules to follow:

1. Be honest – the only way to get an accurate idea of your budget is to be honest about how you spend your money, so if you always have a takeaway on a Saturday night, remember to add it!
2. Keep everything to the same payment period. Pick weekly, biweekly, or monthly and make sure that all items are based on that payment period. For example, if you want to look at things over a monthly period, multiply your weekly payments by 52 and divide by 12.
3. If any of the items mentioned do not apply to you, just leave that box blank.

Income

The first thing we must do is work out your income. Remember, keep everything to the same payment period – weekly or monthly is usual.

Your wages or earnings after tax	
Any money you get from your lodger(s) or anyone else living with you	
Any money you get from a pension (incl. Private and state pensions)	
Any money you get from investments (incl. Renting a property, dividends etc.)	
Any child maintenance or support you receive	
Any benefits* you receive (incl. Child benefit, and pension or tax credits)	
TOTAL INCOME	

* There are many different benefits that you may be in receipt of – if you are unsure what benefits you are claiming, [check out this page](#) to find out about them

Debt Repayments

After working out your income, we look at the debts that you are currently paying back. These are not the lump sums that you owe, but rather the repayments.

Debt Management Plan	
Individual Voluntary Arrangement	
Mortgage or rent arrears or arrears for any loans secured against your home	
Council Tax arrears	
Credit card, store card debts or payday loans	
Bank or building society loans arrears	
Personal loans	
Catalogue, home credit or in-store credit debts arrears	
Overdraft charges arrears	
Money borrowed from friends or family	
Income Tax, National Insurance and VAT	
Gas and electricity bills arrears	
Water rates arrears	
Child maintenance arrears	
TV licence arrears	
Hire purchase agreements arrears	
Court fines arrears	
Student loans arrears	
Other direct payments for arrears	
TOTAL DEBT REPAYMENTS	

Bills

Enter the amount you spend on each of these bills, remembering to keep to the same payment period. For items that come in package deals (i.e., home phone lines, or sometimes TV subscriptions) look at your bills to see what you are charged for that service.

Rent or mortgage (in full, don't deduct housing benefit/housing element of UC)	
Council Tax (after any deductions)	
Gas	
Electricity	
Any other fuel costs (e.g., oil, coal, or firewood)	
Water (incl. wastewater and sewerage charges, if any)	
Mobile phone (if pay-as-you-go please estimate)	
Home phone	
TV subscription (e.g., Sky or Netflix)	
Internet	
TV Licence	
Home Insurance (contents, building or both)	
Loan payments	
Credit Card Payments	

Hire Purchase Payments	
Student Loan Payments (if you pay off your loan via PAYE, ignore this)	
TOTAL BILLS	

Household and personal

Grocery shopping (Incl. things like food, toiletries, cleaning supplies, but not alcohol, tobacco, or scratch cards)	
Clothing and footwear	
Hairdresser or barber	
Launderette or dry-cleaning	
Healthcare (Incl. medicines, prescription charges, dentist visits, optician)	
Repairs and house maintenance (Incl. expenses like plumbing or electricians.)	
Any other household spending	
TOTAL HOUSEHOLD/PERSONAL EXPENSES	

Family and pets

Care costs	
Christmas spending and other religious holiday expenses.	
Pet costs	
Birthday presents	
Childcare	
Child support/maintenance payments you make	
Tuition fees	
School uniform	
School meals	
Pocket money and school trips	
Nappies and baby items	
Other family-related expenses.	
TOTAL FAMILY and PETS	

Leisure

Eating out (Incl. coffees, teas, and snacks)	
Going out (incl. drinks out, taxis, admission charges.)	
Staying in (incl. alcohol you buy to drink at home or take-away meals.)	
Memberships (incl. gym or cinema membership.)	
Website subscriptions (Incl. news, magazines, dating, music/video streaming.)	
Newspapers and Magazines	
Books and Music	
Season tickets	
Event tickets (Incl. cinema, theatre, sports events, concerts, etc.)	
Holidays (Incl. travel, accommodation, dining, going out, and insurance.)	
Sports and hobbies	
Tobacco (incl. electronic cigarettes)	

Gambling (Include lotto, pools, and scratch cards)	
Other leisure	
TOTAL LEISURE	

Transport

Public transport (incl. bus, train, boat, and tram journeys.)	
Taxis	
Bicycle (Incl. general running costs such as repair or rental.)	
Car rental (Incl. fuel, parking charges and tolls.)	
Car insurance	
Road tax	
Fuel	
MOT	
Car maintenance	
Breakdown or recovery	
Parking, congestion charges and tolls	
Other transport-related spending	
TOTAL TRANSPORT	

Savings and investments

Pension	
Savings (incl. ISAs)	
Investments	
Premium Bonds	
TOTAL SAVING and INVESTMENT	

Your Budget

To calculate your budget balance,

1. Add your Total Income to box A
2. Add each of the appropriate totals to the Money Out boxes.
3. Add together these totals and put that total in box B.
4. Subtract Box B from Box A and write the result in Box C

Money IN	TOTAL INCOME	A
	TOTAL DEBT REPAYMENTS	
	TOTAL BILLS	
	TOTAL HOUSEHOLD/PERSONAL EXPENSES	
	TOTAL FAMILY and PETS	
	TOTAL LEISURE	
	TOTAL TRANSPORT	
	TOTAL SAVING and INVESTMENT	
Money OUT	TOTAL MONEY OUT	B
Balance	Box A – Box B	C

If BOX C is a positive number, you've got money left over from your budget
If BOX C is zero, your budget is perfectly balanced
If BOX C is a negative number, you're spending more than you can afford.

What to do?

1. Do a 'sense check' - does your result feel right to you? Does it reflect the money you see in your purse, wallet or account each month? If it doesn't, check your figures again to see whether you have missed something out, or underestimated something.
2. If you're happy with your budget result, double check the figures to make sure they are all accurate, and then look to see whether there are any pieces of spending you didn't expect, or could do without? If you are close to zero, what would happen if you had an unexpected expense?
3. If you are unhappy with your budget result, again, check the figures to make sure they are accurate. After that, you should contact your Citizens Advice Gateshead team who will give you advice on making the most of your income, check whether there are any benefits you are missing and give you advice about repaying debts and other financial matters.

Remember you can get in touch with your Citizens Advice Gateshead team for impartial advice, information, and guidance. Email gestaffswa@citizensadvicegateshead.org.uk or call 0191 490 4231 and we'll be back in touch with you within 1 working day Monday to Friday.