Action Plan - Look after the pennies

Budget Planning

If you want to get on top of your finances, a budget is a really good way to start. It's just a record of **money you have coming in** (from things like your salary or wages, pensions or benefits) and **payments that you make** (such as your rent or mortgage, insurance and Council Tax as well as living expenses and regular and irregular spending).

A great way to work out your budget is with an online budget planner. These will allow you to record all of your incomings and outgoings, and will then analyse and add up your figures and give you a breakdown of where your money goes each month.

Most online planners give you the option to save results and return to update them at any time, so whatever your circumstances you can keep them updated.

Alternatively, you can set a budget up using a spreadsheet on your computer or just write it all down on a piece of paper. Your bank or building society may also give you access to an online budgeting tool which takes information directly from your transactions.

If you're getting ready to do a budget, a little preparation can go a long way. It's best if you can gather together your bank and credit card statements first - preferably for the last three months. Between them, it should list all standing orders, direct debits and give you an accurate idea of what you spend.

For example; for food shopping, gather together all your receipts for the last three months. Add up all of the food spending listed on the receipts, then divide by three to reach your average monthly spend.

If you can, try and gather together your payslips to establish exactly what you earn, plus any bills or other documents if possible (though your statements should also detail this information). Once you’ve got this information together you’re ready to start! Make a cuppa, settle in and then try one of these tools to help, links will open in your internet browser.

Money Advice Service Budget Planner
Full address https://www.moneyadviseservice.org.uk/en/tools/budget-planner

Money Savings Expert Budget Brain
Full address https://budgetbrain.moneysavingexpert.com/auth/guest_signup

Or if you prefer to do this with pen and paper, the Office of Fair Trading have a template
Check my benefits

The benefits system is complex and rules change often, so it’s worth checking if you’re entitled to anything. Over a million low income pensioners are failing to collect their pension credit, and you may be eligible for a six-monthly or annual payment.

It’s quick to check online if you could be entitled to help, but it’s worth getting some basic information together before you start rather than needing to look for it later. Most online checking systems will ask you about:

- savings
- earnings (eg from payslips)
- existing benefits and pensions
- outgoings (eg rent, mortgage, childcare payments)

Get this information together and then try one of these easy ways to check if you could get more help, links open in your internet browser.

**Age UK Benefits Calculator**
Full address http://www.ageuk.entitledto.co.uk/

**Turn 2 Us Entitlement Checker**
Full address http://www.turn2us.entitledto.co.uk/entitlementcalculator.aspx

**GOV.UK Benefits Advisor**
Full address https://www.gov.uk/benefits-adviser

There’s still a stigma to claiming benefits in the UK. Yet for those who shy away from claiming their entitlement, commonly those who worked much of their life, a simple statistic is rather persuasive.

Someone with a typical 40-year working lifespan, earning an average of £27,500 a year in salary, would in today's prices pay almost exactly a quarter of a million pounds in tax and National Insurance.

So rather than seeing social security as a favour from the Government, it’s better to think of it as an entitlement contributed to in the good times, and repaid when you’ve less cash. Of course, many have political views about the benefits system, but having that belief doesn’t prevent you from paying taxes, so it shouldn’t stop you claiming the reciprocal benefit.

Source: Money Saving Expert website
Full address http://www.moneysavingexpert.com/family/benefits-check
Comparing prices

Don't pay over the odds for your shopping. By comparing prices and shopping online, you could save hundreds of pounds every year on everything from groceries to clothes and electrical goods.

Bear in mind that - while many sites include the cost of postage and packaging in the prices they quote - some don't. Remember to factor in this cost to avoid paying more overall than if you buy from the high street.

To be sure of getting the best deal, check more than one comparison site – not all sites search all retailers so you may miss out on the best price if you just stick to just one.

The Ministry of Thrift have done most of the leg work for you by getting this list of price comparison sites all in one place
Full address http://www.ministryofthrift.co.uk/money-tool-box/comparison-sites/

And don’t forget you can check the prices you’re paying for your weekly shop with mysupermarket
Full address http://www.mysupermarket.co.uk/