



The Household Budget how to set it up and make it work for you

As this an important matter which affects everyone, I'll leave out the tedious waffle. Instead, here in brief are a few suggestions that might make your life a little easier and less stressful:

Plan by the pay period: if your income is fortnightly, calculate two-week's expenses in advance. If you never quite know how much you will receive (casual or contract work), estimate the period based on previous income, and readjust later if necessary. Whatever the case, when there is more going out than coming in, the plan is not viable and needs re-thinking.

List all outgoings: include those which are due for payment every week, month, quarter, half, or full year. Calculate how much needs to be put aside each pay period to ensure the money is on hand to pay these bills when they eventually come in. Try to take advantage of any discounts offered for early or bulk payment. When two or more are due at the same time, think about making payments in a way that will stagger them for the future. For example: if the car registration and insurance are due at the same time, instead of forking out for the whole year on both, it may be possible to pay the registration for 3 months just this once, then when it becomes due next time, pay for the year. This way, the registration and insurance will fall due three months apart, putting less of a strain on available funds.

Shop within your means: don't buy what you fancy; only what you need. Write up your shopping list, and then review it:

- a) to ensure the total is within budget;
- b) to see if there is anything that is unessential like expensive treats;
- c) to check for shopper's specials that can save money - if they aren't on this week, wait till they are; and reserve some spare cash for them so as not to miss out.

If possible, it's a good idea to buy extras of those items you use regularly, but that only come on special occasionally. As soon as you finish up one, write it down with a "?" next to it - this is reminder to replace it, but only when it's on sale cheaper than normal. Never pay more than you have to for anything.

Calculate roughly how much the current shop will cost and only take that amount with you. If you happen to see something while shopping that is not on the list, leave it on the shelf!

Cash float: keep a small amount of spare cash on hand, just in case, and top it up when you have to use some. Avoid dipping into this for non-essentials.

Credit-card users: only spend within your budget. If you are often tempted to buy extras, use cash instead and leave the cards at home. Make an effort to pay credit-cards by the due date, and try to pay more than the minimum. If you don't, you will be paying off seemingly forever, and it will cost many times more than the goods are worth. Always ask for receipts and keep them to check against the statements when they come in. If there is anything on there that you know shouldn't be, contact your bank ASAP.

Utilities accounts: keep a close watch for sudden unexpected rises and query these with the provider before paying them. If the increase is down to usage, find ways to economise that will bring the costs back within budget.

Phones: reduce calls and texts to a minimum - the costs can mount up quickly. Whether on a plan or pay-as-you-go, allow for this in the budget and don't exceed it. Where kids are involved, consider funding them for a fixed amount - anything over comes out of their pockets.

Memberships: of clubs, gyms, social and sports groups, health and activity programs. If you have already paid for a period, try to use it and get your money's worth. When renewal time arrives, decide whether to go

the whole hog, or to pay by the visit.

When enrolling children in activity programs, remember that they may lose interest after a few visits, so hold off paying for a full membership until you are sure they can stay the distance.

Appointments: especially medical. Pick up the appropriate monthly planners from the website – they are in PDF format and they're free – and use them to list down your appointments as soon as they are made, then be sure to be there - failure to attend without prior notice may incur a penalty fee.

Paperwork: make a note of everything received and include the amount and due date of those bills that need paying; then put them in a suitable container like a concertina file - don't just stick them on the fridge with everything else; and definitely don't leave them lying around to get lost.

Bank accounts: always look for the best deals that suit your needs. Go for low or no fees, the highest interest rates, and ease of access that fits in with your plan. If you see another bank making a better offer for the same as you already have, before you decide to switch, go see someone at your current bank - they may be prepared to equal or better the offer.

Gifts and Presents: can you really afford what you usually spend on them? See Money Matters MM20 for some ideas on cutting costs.

Charities: donate to your favourites, by all means, but not so much that you become a charity case yourself.

Under Budget: those times when you are lucky, or miserly enough to have some spare cash at the end of the period, don't be tempted to blow it. Salt it away somewhere out of reach for a rainy day. Add to it when you can, and watch it grow. Then, if you haven't spent it on something that popped up unexpectedly, maybe you can reward yourself with a treat; if by then you haven't become a complete Scrooge!

I hope some of the above will be of help.

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