

Planning a budget

A budget shows how much money you have coming in and how much you are spending. This can help show where you might be able to cut costs. Our budget planner can help you work out your budget. You can plan your budget using weekly or monthly amounts, depending on what suits your situation. The important thing is not to mix the 2 – use either weekly or monthly amounts throughout your budget.

This is how you can convert between weekly and monthly amounts:

- **(Weekly amount x 52) ÷ 12 = monthly amount**
- **(Monthly amount x 12) ÷ 52 = weekly amount**

Working out your budget

There are 3 steps to working out your budget:

1. Write down any regular income you have (monthly or weekly) and add it all together. This is your total income. Regular income may include your wages, money you get from a pension, or any money from investments or insurance claims.
2. Write down everything you spend (monthly or weekly) and add it all together. For example, you might spend money on your rent or mortgage, bills, insurance payments, or food and drink. This is your total spend.
3. Take away your total spend from your total income. This gives you your balance. This is the amount you have left each month or week.

If your balance is less than zero, you are spending more money than you have coming in. This is called having a shortfall. To avoid a shortfall, check if you can increase your income and look at ways to spend less.

Budget planner

Step 1. Your income

	£ weekly	£ monthly
Income from work (employment or self-employment)		
Income from savings and investments		
Benefits		
Pension payouts		
Insurance payouts		
Any other income		
Your total income		

Step 2. Your spend

	£ weekly	£ monthly
Mortgage or rent (including service charges)		
Council tax (called rates in Northern Ireland)		
Household maintenance (repairs, upkeep)		
Household bills (water, electricity, gas, phone, internet, TV licence and subscriptions)		
Housekeeping (laundry, dry cleaning, a cleaner)		
Loan repayments (personal loan, car loan, credit cards, hire purchase)		
Insurance (building and contents, life and critical illness cover, income protection, payment protection, travel insurance, boiler cover, home protection)		

	£ weekly	£ monthly
Food and drink (supermarket shopping, eating or drinking out)		
Children (clothes, school meals, activities, pocket money)		
Pets (pet food, pet insurance)		
Car costs (road tax, car insurance, maintenance, parking, fuel, breakdown cover)		
Public transport (bus, taxi or train fares)		
Savings and investments (pension payments, regular savings, investments)		
Lifestyle (clothes, gym memberships, subscription fees, hobbies, day trips, hair and beauty treatments, toiletries)		
Health (private medical care, dental care, opticians, physical care)		
Education (school fees, university fees, evening classes)		
Other expenses (Christmas, holidays, birthdays, furniture, weddings)		
Your total spend		

Step 3. Your balance

Your total income – your total spend = your balance.

If you have a shortfall and you are worried about getting into debt, you can contact StepChange Debt Charity for advice. Our Macmillan Support Line staff can refer you directly to StepChange Debt Charity. Call us on **0808 808 00 00**.