Budgeting in a Crisis

Anne Hills

Topics

- Introduction
- Housekeeping
- Income Shock
- Living within your means
- Unmanageable Debt
- Family Budget Meeting
- Things you will need
- Categorising Expenditure
- Essential or Discretionary
- Saving Money on Essentials
- Discretionary Expenses
- Information Sources



Introduction

- Anne Hills
- Frome Town Councillor Keyford Ward
- Retired Chartered Financial Planner
- Fellow of the Personal Finance Society



Housekeeping

- The webinar is being recorded
- How to ask questions
- Technical problems?



Income Shock

- Reduced income
 - Reduced hours
 - Furlough scheme
 - Unpaid holiday
 - Redundancy
 - Self-employed



Living within your Means

- Examine Expenditure
- Make sure you are not spending more than you can afford
- Might need to reduce expenditure
- 'Crisis Budget'



Debt

- Existing debts
- Do you need a payment holiday?
- Not taking on additional debts
- Easier to 'Bounce Back' later



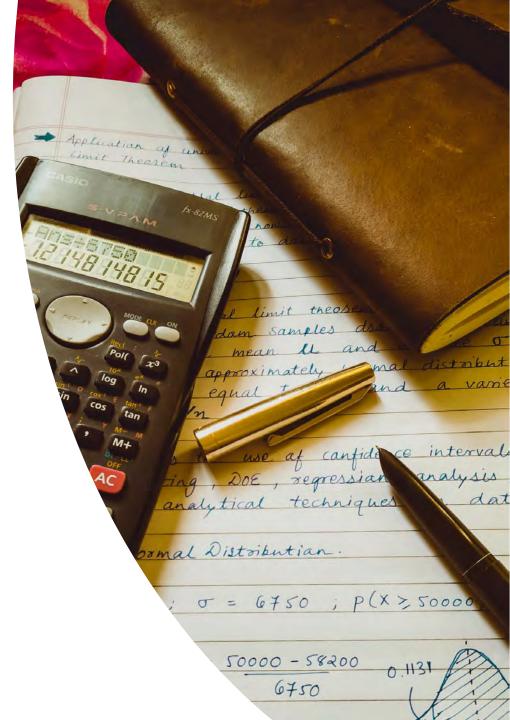
Family Budget Meeting

- Everyone in the family is 'bought in'
- Get the whole household together
- Everyone realises you don't have the same income as before



Things you will need

- Bank / Building Society statements
- Credit Card bills
- A calculator
- Some paper and a pen



Or....

Excel spreadsheet (we can send to you)

- Money Saving Expert
 downloadable Budget Planner https://www.moneysavingexpert
 .com/banking/Budget planning/#bplanner
- Money Advice Service Budget
 Planner <u>https://www.moneyadviceservice</u>
 <u>.org.uk/en/tools/budget-planner</u>



Categorising Expenditure

- Go through your bank statements and credit card bills
- Categorise your spending into:
 - Housing
 - Utilities
 - Food
 - Clothing
 - Car & Transport
 - Leisure

Total up each category for the year Divide by 12 to get monthly average



Essential or Discretionary?

- Decide for each expense:
 - 'Essential' expenses are things you NEED to spend on e.g.:
 - Housing
 - Food
 - Utilities
 - Transport to get to work
 - 'Discretionary' expenses are things you WANT to spend on:
 - Everything else



Saving Money on the Essentials

- Is there any way you can reduce these amounts?
 - Switch Utility provider
 - Remortgage
 - Make meals from scratch
 - Walk / Cycle more



Discretionary Expenses

- Write expense on a piece of paper
- Fold it up and put it in a bowl
- Each person takes a piece of paper in turn
- As a family, discuss that expense
- Put the pieces of paper in order of importance
- Take away the least important expense
- Keep going until your expenditure is less than your income



Information Sources

- Money Advice Service
 - https://www.moneyadviceservice
 .org.uk/en/categories/cuttingcosts
- Money Saving Expert
 - https://www.moneysavingexpert .com/utilities/
 - https://www.moneysavingexpert .com/mortgages/remortgageguide/



Any questions



Next Steps

- Stick to your budget!
- Email questions

ahills@frometowncouncil.gov.uk

Next Session 1 June 2020 3pm & 6pm

