

## How to maximise your money?

Managing your money can sometimes be quite demanding. It is a fine balance between paying essential bills, and not feeling like you are constantly struggling and are not able to treat yourself occasionally.

With a bit of planning and taking some small positive steps it is possible to manage your money and reduce some stress in doing so.

## Pain free savings

See if you can get the same thing for less, including: -

- Childcare costs
- Insurances
- Utility bills
- Mobile contracts
- Prescriptions
- Food and drink
- Clothes
- Transfer the balance on your credit card to one that allows for interest free purchases. Usually for 6 months. Be aware that after this time you will be charged interest.
- Does your local college have a restaurant, beauty salon or hairdressers attached? The discounts they offer are excellent.

By doing this exercise you will be pleasantly surprised how much money you could save throughout the year.

## Can you Benefit?

From benefits;

- anyone with a family income of £46000 and under may be entitled to working tax credits, children tax credits and housing benefit.
- Most pubs and bars request that you wear a uniform. You can claim money back if you wear a uniform which includes a T shirt with a logo on. Look at Uniform tax rebates

## Play the prioritisation Game!!

When looking at what you spend it may be good to ask yourself some questions including, Do I really need it? Will I use it? Can I really afford it?

Look at what you do spend including: -

- Nights out,
- Music downloads,
- By switching from 2 to 1 takeaways a week you can save £250 per year.
- Try a clothes swapping party it could be fun?
- Sleep on making big purchases and see if you feel the same the next morning.

## Take the Direct (debit) Approach

Cancel direct debits that are not necessary, magazine subscriptions, gym membership, Netflix, Spotify, Charity payments. Many people start a free trial and then forget to cancel.

## Money tips

Collectively these outgoings can easily build up to £100 plus per month.

### Try a zero spending day challenge.

See if at least one day a month you can spend nothing other than priority payments like, rent, travel, etc. A bit like a spending detox, this will then allow you to treat yourself when you really want to.

### Pay yourself pocket money.

Once you have paid out your essential bills and living costs and put aside a set amount each week that you can spend as you like.

### Look at your credit card differently

Pretend that your Credit card is a **debt** card. It may make a difference on how you use it.

### How much will it cost in work time?

If you are tempted to make an impulse purchase, work out how long it would take to earn that money in hours. Eg. if you earn £5 per hour and you want to spend £150 that will take 36 hours to earn.

Most people remember a short break or time with family or friends over an impulse purchase.

## Money Saving Tips at home

### Don't use your energy up – save it.

- Look at getting a water meter, if you have more people than bedrooms it may be worth it.

- Turn your heating down by one degree
- Don't leave electrical goods on standby can save up to £90 per year.
- Use cola to flush and clean the toilet it has the same properties as cleaning products but is much cheaper and could save your teeth.
- Don't go shopping when you are hungry it is a known fact people spend more when they do this.
- Freeze left over food. That can include egg whites, and bananas (with the skin off).

### Try a money makeover.

If you take one day out to cut your bills you can save between £1000 - £5000 in a year. That may enable you to go on holiday, or buy something for your house.

### If you are in debt?

If, however you are worried about money and are getting into debt.

Phone our free 24/7 helpline for advice, **0808 801550** alternatively there are other organisations that can help including Step Change, and Citizens Advice.

If you are worried about your outgoings outweighing your incomings, it would be good to look at what you owe and sort them into priority and non-priority debts.

# Money tips

## Priority debts.

There are only a few priority debts. These are: -

Mortgage  
Rent  
Council Tax  
Utilities  
TV Licence.

If you do not prioritise these debts, and pay some towards them you could lose your home, be taken to court, or be cut off.

Don't ignore these debts it is always better to phone the provider and explain what has happened. They are usually much more empathetic and supportive if they know what is going on.

Many organisations may accept lower payments for a short time. That is always better to pay something rather than not paying anything.

## Non priority debts

Credit card arrears  
Store cards  
Some loans  
Mobile phone contracts  
Pay day loans  
Internet contracts

None of these are priority debts, many people think they are. You may get lots of calls from creditors about these. This happens as there is a very remote chance that they would take you to court but there is much less likelihood of serious action being taken.

Although these debts are not so serious they should not be ignored. Get in touch, explain the situation and ask for lower payment plans or for them to freeze the interest they will sometimes do this.

## Draw up a budget plan

A budget plan lists all your expenses and compares it with the amount of money you have coming in. This can help you to see where you could cut back and save money. Start with the following outgoings:

- Rent/mortgage
- Council tax
- Utilities (gas, electricity, water)
- Phone
- TV licence
- Travel
- Loan payments
- Hire purchase payments
- Insurance payments
- Childcare
- Child support/maintenance
- Personal pension payments
- Court fines
- Food
- Clothes
- Household products (cleaning and toiletries)
- Non-essential daily expenses (newspapers, buying lunch/coffee etc.)
- Occasional costs (such as haircuts, house maintenance, going to the dentist and so on).

Next, work out how much money you have coming in, including wages, benefits and tax credits, plus any other payments coming into your household.

## Money tips

If you have more money going out than coming in, take a long hard look at your expenses and try to work out where you can save money (even relatively small savings can add up over time).

Try using a free online budget planner, such as that offered by the Money Advice Service or the charity Step Change.

You may be surprised to find out how much you're spending - for instance, if you spend £2 on buying a coffee every morning, it adds up to £730 a year.

### Pay Day Loans

Try not to be tempted to take out a payday loan, keep in mind that these loans are usually a highly expensive way of borrowing money. More affordable loans are available from credit unions. These are co-operatives that try to assess how much you can pay back, so you can avoid getting into even more debt.

You have to join a credit union before you can apply for a loan, and in some cases you have to have built up some savings before you can borrow. The good news is most credit unions charge around one per cent interest a month on loans, and there are no hidden extras.

### Useful links

If you are experiencing any of the issues covered in this guide, in the first instance call our free helpline on 0808 801 0550. Our Advisors will listen without judging and will work with you as best they can to achieve a positive outcome. If you prefer you can email: [support@ltcharity.org.uk](mailto:support@ltcharity.org.uk)

Visit our website: [www.licensedtradecharity.org.uk](http://www.licensedtradecharity.org.uk)

It's full of useful information about the kind of issues we know people who work in the licensed trade face.

### Other sources of information:

#### Citizens Advice

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

For lots of free practical advice on a wide range of issues, including successful budgeting and debt management.

#### Money Advice Service

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

For free and impartial money advice, including help with managing your money.

#### Step Change

[www.stepchange.org/](http://www.stepchange.org/)

This debt charity offers free debt information and advice.