

# Living on a reduced income



## How to manage on a reduced income

There will be times when you may experience a drop in income:

- Loss of job
- Your employer offers you less hours
- Illness leading to a reduction in pay
- Maternity/paternity leave
- You have to pay out for something that you did not expect
- Moving house or taking out a new loan or mortgage
- A change in your circumstances

This may cause some worry and stress. To try and minimise that stress, we have set out some tips that may help. Changing the way you manage your money or being aware of other sources of income you may be entitled to could help you to get by.

### 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)
- TV licence
- Travel
- Loan payments
- Internet
- Mobile phone contracts
- Netflix/Sky/Amazon Prime subscriptions
- Insurance payments
- Childcare



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- Child support/maintenance
- Personal pension payments
- Food
- Clothes
- Household products (cleaning and toiletries)
- Non-essential daily expenses (buying lunch/coffee etc.)
- Occasional costs (such as haircuts, house maintenance, going to the dentist and so on)

Work out how much money you have coming in, including wages, benefits, and any other payments coming into your household. 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).

### Nudge

Try using a free online budget planner - we have partnered with Nudge who offer this very thing. Nudge is a financial wellbeing web/app that helps with all aspects of being in control of your money. It is free to anyone in the trade - just click on the link to register: [www.licensedtradecharity.org.uk/nudge](http://www.licensedtradecharity.org.uk/nudge)

### Dealing with debts

Recognising you have a problem with debt is the first step towards dealing with them effectively. Ask yourself the following questions:

- Do you often exceed your credit or overdraft limit?
- Do you take out more loans to pay off your debts (and pay back the minimum amount each month)?
- Do you often use your credit card to withdraw cash?
- Do you have little to no idea how much you owe?

If you have answered 'yes' to any of these questions, chances are you need to tackle your debt problem - sooner rather than later.

### Priority debts

It is important to tackle the most important debts first, such as rent or mortgage, gas, electricity, water, and council tax.

Get in touch with your providers and let them know what is happening, it may seem scary, but they will want to help, and this is so much better than burying your head in the sand.

It is not a well-known fact, but you can ask providers, the council tax team, credit card companies if you can make reduced payments for a while.

Once you have got these under control, you can work out how to pay off other debts that don't put your home or fuel supplies at risk (such as loans and overdrafts).

### Save on bills

There are lots of ways to save on energy bills, plus you can shop around to find out how much you would save by switching to a different supplier.



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## Heating

Most of the money spent on fuel bills goes on heating. By turning your room thermostat down by just 1°C could save 10 per cent off your bill and only heat the areas of the home that need heating.

## Lighting

Turn lights off when you are not using them, and it could save you around £14 a year.

## Appliances

You can save around £30 a year by turning off electrical appliances instead of leaving them in standby mode.

## Hot water

Turn the thermostat on your hot water tank down to 60°C (it will still be hot enough for a bath or shower). Make sure your hot water tank has a lagging jacket. If you have a washing machine, washing at 30°C can save money too.

Consider using price comparison websites to find out the best deals and see if you can save money. Register with Nudge as they can help with this too: [www.licensedtradecharity.org.uk/nudge](http://www.licensedtradecharity.org.uk/nudge)

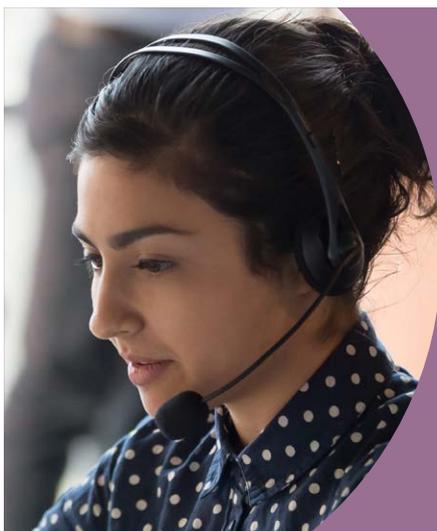
## Claiming benefits

Depending on your circumstances you may also be entitled to claim certain benefits if you are on a low income using the following links. This will bring some more money in and alleviate some stress.

Use our benefits calculator on our website [www.licensedtradecharity.org.uk/benefits-calculator](http://www.licensedtradecharity.org.uk/benefits-calculator) to see if you are entitled to any benefits.

Alternatively log onto the Gov.uk website and check out their information: [www.gov.uk/browse/benefits](http://www.gov.uk/browse/benefits)

Tackle the issue in bite sized pieces, not only will you feel you have achieved something it may help reduce the stress and worry too.



The Licensed Trade Charity are available 24/7, if you'd like to talk about your situation, we can help you. Contact us for confidential, free of charge support. If you are experiencing any of the issues covered in this fact sheet, in the first instance call our helpline on:

**0808 801 0550**

Our Helpline Team will listen without judging and will work with you as best they can to achieve a positive outcome. If you prefer, you can email: [enquiries@ltcharity.org.uk](mailto:enquiries@ltcharity.org.uk) or visit our website at [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.

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**Note:** This guide is not exhaustive. It has been produced by the Licensed Trade Charity to provide you with an overview of the issue in question. We are grateful to all specialist organisations who support our charity and are available to you should you be experiencing this particular issue.  
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