

Creating a Household Budget

A household budget can be really helpful in understanding how you spend your money and identifying opportunities to improve your ongoing financial health.

Start by listing all of your regular income (money in) and expenditure (money out), on a piece of paper (like these pages) or computer spreadsheet. Total up both sides and you'll then know what your regular disposable income is - that is, the regular money available to pay for extras like one-off expenses, luxuries etc.

If, for example, you have £2,000 per month coming in and £1,950 per month going out, you only have £50 disposable income. That means, if you had to pay for a new washing machine at £200, you either need to borrow money, or save your £50 per month for 4 months to be able to afford it.

After developing a household budget, you should try to identify ways in increasing the money in and/or reducing the money out in order to improve your disposable income and reduce financial stress.

You can do your budget on a weekly or monthly basis. Most people find it easier to do it on a monthly basis. If some things are weekly, we normally multiply them by 4 to get a monthly amount that is usually close enough for budgeting purposes.

MONEY IN - INCOME

	Weekly amount	Monthly amount
Salary / Wages		
Pension		
Child Benefit		
Universal Credit		
PIP		
Carers Allowance		
ESA		
Tax Credits		
Housing Benefit		
Child Maintenance		
Partner's Income		
Other benefit:		
Other income:		
TOTAL		

Your Notes:

