



Keeping Excellence  
in Training Standards

# EQUALITY MATTERS

KEITS Training Services Ltd



## THIS ISSUE:

## Budgeting: Tips for beginners.



## MONEY, MONEY, MONEY!

- What is budgeting and why do it?
- How to budget
- Budget tips and tools

Money can be tight, times are hard and it seems to be only getting worse. The cost of living crisis may be making you feel anxious and worried about how you are going to manage your money, and this is completely normal!

In this months edition we take a look at what budgeting is, how to do it and some tools and tips to help you improve your budgeting.

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# What is budgeting?

You will be hearing that word a lot at the moment, 'budgeting this.. and budgeting that..', but what really is budgeting?

Budgeting is the process of creating a plan to spend and save money to enable a comfortable way of living.

Budgeting effectively will help you to find a way to pay for all the things you need and hopefully also some of the things you want. It is a way of balancing your income against your expenses.

## Why budget?

Budgeting is really important to help people to live a comfortable life and prevent themselves from struggling with finances which could lead to debt.

Budgeting also enables people to be able to manage their own finances to help them to save for a specific thing, such as a car, house, holiday or for a that pair of shoes you've had your eye on.

Having the ability to budget well from the moment you start work will have a positive long term impact on your financial future and in the long run could help you with your credit score for when it comes to life events such as buying a house!

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# How to budget and some tips

The first thing you need to remember is that you do not need to stress about 'how much money you have to save', instead, try to view budgeting as a positive thing to do. It should make you feel more in control of your finances, not stressed about them.

There is a golden rule to try and follow of '70:20:10' with your total month's wages. Try to use 70% for your essential needs, 20% for your wants and try to save 10%.

- 1 Live below your means - try to not spend all your wages every month, even just a little bit will help.
- 2 Set yourself goals - always have a reason for saving. It's easier to save if you know what for.
- 3 Have self control - don't 'treat' yourself too often, do you really need that takeaway this week?
- 4 Track your spending - keep a track of all your outgoings, essential needs and wants.
- 5 Try to build an emergency fund - have a little pot of money somewhere for car repairs, vet bills etc.
- 6 As soon as possible, start paying into a pension - as soon as you can start putting money away for later.
- 7 Avoid social media hoax's - Instagram isn't always real, people are often living a fake 'gifted' life.
- 8 Use budget and financial tracking apps - build your credit score and track your money easily with apps.

## Tools to help you

Some banking apps have budgeting tools and credit score checkers such as Natwest or Barclays. There are many websites with budgeting tools, click links below to discover. But, sometimes a piece of paper and pen is just as good!



<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/money-management/money-tips>

<https://www.citizensadvice.org.uk/debt-and-money/budgeting/budgeting/work-out-your-budget/>