

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:

MONEY OUT - EXPENDITURE

	Weekly	Monthly
Rent/mortgage		
Council tax		
Gas/electric		
Telephone		
Internet (if not part of a package)		
Media package (Virgin, Sky, Netflix etc.)		
TV Licence		
Travel (fuel)		
Travel (bus, train, taxi etc)		
Groceries (food, cleaning products)		
Insurance		
Car tax and insurance		
Clothing		
Memberships		
Credit cards		
Loans		
Car finance		
Eating out/takeaways		
Cigarettes/vaping/tobacco		
Childcare		
Pets (insurance, food etc.)		
Lottery/scratchcards/betting		
Other:		
TOTAL		

It All Adds Up!

Household food shopping is increasingly costly, but savings can be found by swapping big-name brands for cheaper alternatives, often with people unable to notice any difference! You can use this simple table below to identify potential savings over a year, by swapping branded items.

Item	Number bought each week	Famous brand	Supermarket own brand or value range	Cost saving per week	Cost saving every year
Baked beans	4 tins	Heinz £3.95	Tesco £2.00	£1.95	£101.40
Coffee					
Crisps					
Chocolate biscuits					

The first line has been completed as an example, using correct pricing from Tesco on 27 August 2023.

Useful Resources

Here's a list of reputable sources for more information or support to help make ends meet.

Citizens Advice Bureau in Fife

(Citizens Advice and Rights Fife)

Help on maximising your income, welfare benefits, money advice and debt advice. www.cabfife.org.uk/get-advice

Greener Kirkcaldy

Support on reducing heating and utility costs, including access to grants and financial support. www.greenerkirkcaldy.org.uk

Fife Council

A wide range of information and resources on increasing income, help to access food, help with heating and utility costs and more. https://our.fife.scot/gethelp

Money Saving Expert

A high profile, UK-wide website established by Martin Lewis to help people to reduce bills and save money. Has more than 16 million users each month. www.moneysavingexpert.com Finally, always consider using reputable money comparison websites or other big retailers before making key purchases to see if there are better deals.

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