

# Budgeting Essentials

## Workbook

Name :

Date :



BANK OF SCOTLAND  
ACADEMY

# Budgeting Essentials

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# Introduction

## Course Aim

This workshop aims to help you to understand how to create a budget and the benefits of doing so. Everything that is discussed today is for guidance and is not financial advice. Any websites, tools etc. are examples of what's available.

## Objectives

By the end of this workshop you should be able to:

- Explain what we mean by the term "Budget" and explore the benefits
- Create a budget
- Explore the types of online budgeting tools available
- List the benefits of having emergency money

# What is a Budget?

Name one goal you would put money towards at the end of the month.

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What do we mean by the term "budget"?

Why is having a budget important?

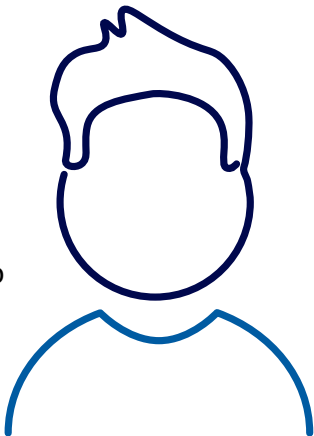
How do you work out what your budget is?

Where might you get income from?

## Ishan's Story

Ishan is struggling to work out his budget because he works for a delivery company and has a different income each month.

Ishan is the only wage earner at home. Some months he struggles to pay his bills whilst other months he has extra money left over. He'd like to start putting away money towards an emergency fund for months when he isn't paid enough to meet all his outgoings.



Here's how Ishan can work out his average monthly income allowing him to budget properly and put money away. Ishan starts by noting down his income for the last three months:

- January income £800
- February income £1,500
- March income £1000

He adds up the income from all three months to get a total amount.

Date	Income in £
January	800
February	1,500
March	1,000
Total of all 3 months	3,300

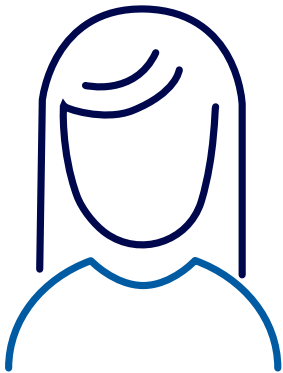
All he needs to do now is divide that total by three (the number of months he used to do the calculation).

Date	Income in £
Total of all 3 months	3,300
Divide that by the number of months (3)	3,300 / 3
<b>Total</b>	<b>1,100</b>

This will now give Ishan his average income of £1,100 per month and he can use this to create his budget.

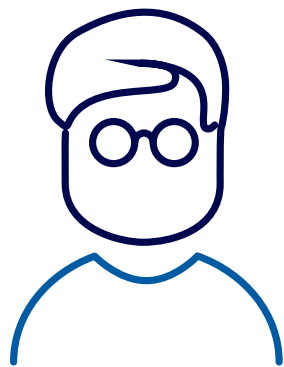
## Alek's Story

Alek lives alone in a flat she bought two years ago. She takes the bus to work. In her spare time, she likes to go to the gym. When she needed to buy a new washing machine, she took out a small loan to pay for it which she needs to pay back every month. Alek had also fallen behind in her Council Tax payments, so she's called them up and arranged to pay extra each month until the debt is paid off.



What are Alek's outgoings?

# Marc's story



Marc is a single parent and he needs to calculate his budget. He's written down his incomings and outgoings below – take a look at them then enter the amounts into the budget sheet on the next page.

Marc's monthly income consists of his salary of £950, benefits (including help with rent and council tax) of £500 and child benefit of £87.20.

His monthly outgoings are as follows, gas and electric £167, water £40, food £350, rent £800, internet £17, phone £10, council tax £110.

He also subscribes to Fishing Weekly for which he has to pay £10 a month.

## Marc's Budget

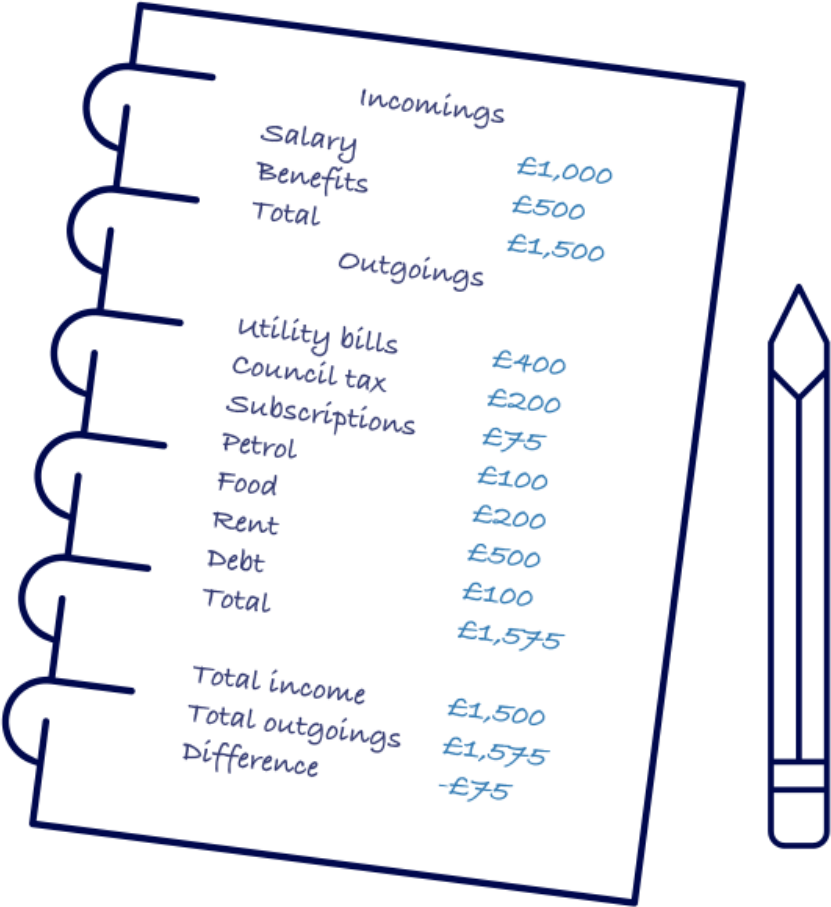
Item	Money in
Work salary	
Benefits	
Child benefit	
<b>Total In</b>	

Item	Money out
Gas and electric	
Water	
Food	
Rent	
Internet	
Phone	
Council tax	
Fishing weekly	
<b>Total Out</b>	

Total In	£
Total Out	£
In minus Out	£

How could Marc save money every month?

# Sam's Budget



What actions could Sam take to reduce her outgoings?



# Online Tools

What tools can you use to help you create your budget?

# Emergency Fund

Which of the following amounts should you try to save in case of an emergency?

- a. Three months outgoings
- b. Three months income
- c. £1,000

How can you start to save money? Discuss the different methods you could try.

## Activity – Starting an Emergency Fund

### Silja's Budget

Incomings	
Total	£1,100
Outgoings	
Total	£1,000
Total income	£1,100
Total outgoing	£1,000
Difference	<b>£100</b>

Silja's monthly emergency fund amount £\_\_\_\_\_

### Irma's Budget

Incomings	
Total	£1,537.20
Outgoings	
Total	£1,352.00
Difference	<b>£185.20</b>

Irma's monthly emergency fund amount £\_\_\_\_\_

# Further Information

## **Bank of Scotland Academy**

Free learning to boost skills and build confidence.

<https://www.bankofscotlandacademy.co.uk>

## **Budgeting Basics**

A lesson where you will learn what a budget is, why it's useful and how you can make your own.

<https://www.bankofscotlandacademy.co.uk/learn-for-life/budgeting-basics/understanding-your-budget/>

## **Budgeting Animation**

Short animation about the benefits of budgeting.

<https://youtu.be/uYK6bK8R25E>

## **Budgeting online**

A lesson that covers how to budget online.

<https://www.bankofscotlandacademy.co.uk/learn-for-life-new/get-started-online/budgeting-online/>

## **Money Helper online budget tool**

Online tool to help you calculate your budget.

<https://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner>

### Money Saving Expert

Money-saving advice website

<https://www.moneysavingexpert.com/>

## Money Worries

As living costs rise, keeping on top of your money might be worrying. Whether you're struggling to manage your payments or worried about covering the outgoings, you are not alone.

Bank of Scotland, as with most banks, offers help and advice. Use this link to find out more: <https://www.bankofscotland.co.uk/helpcentre/money-worries.html>

To find advice from your own bank search for your bank name followed by 'money worries' in Google

## Charity Support

Debt advice charities		
<b>PayPlan – Free debt advice and support</b>	<ul style="list-style-type: none"> <li>• Free debt advice</li> <li>• A personalised action plan for your money</li> <li>• Help is available online or by phone</li> </ul>	<p>Call 0800 280 2816 - Lines open Mon to Fri 8am-8pm and Sat 9am-3pm</p> <p>Or visit online at <a href="https://www.payplan.com/">https://www.payplan.com/</a></p>
<b>StepChange Debt Charity</b>	<ul style="list-style-type: none"> <li>• Free advice to get your budget back on track</li> <li>• A wide range of debt solutions</li> <li>• Support online 24/7 or by phone</li> </ul>	<p>Call 0800 138 1111 – Lines open Mon to Fri 8am-8pm and Sat 8am-4pm</p> <p>Or visit online at <a href="https://www.stepchange.org/how-we-help/debt-advice-scotland">https://www.stepchange.org/how-we-help/debt-advice-scotland</a></p>
<b>National Debtline</b>	<ul style="list-style-type: none"> <li>• Free debt advice</li> <li>• Guides, fact sheets, budgeting tools and sample letters</li> </ul>	<p>Call 0808 808 4000 – Lines open Mon to Fri 9am-8pm and Sat 9.30am-1pm</p> <p>Or visit online at</p>

	<ul style="list-style-type: none"> <li>• Advice via phone and online</li> </ul>	<a href="https://www.nationaldebtligne.org/">https://www.nationaldebtligne.org/</a>
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Financial Support		
<b>Turn2us – Financial support charity</b>	<ul style="list-style-type: none"> <li>• Find the right support and how to access it</li> <li>• Search for funds, grants and benefits</li> <li>• Speak to an adviser in your local area</li> </ul>	<p>Call: 0808 802 2000 – Lines open Mon to Fri 9am-5pm</p> <p>Or visit online at <a href="https://www.turn2us.org.uk/">https://www.turn2us.org.uk/</a></p>
<b>Guidance from MoneyHelper</b>	<ul style="list-style-type: none"> <li>• Government-backed with advice on benefits, tax, pensions, homes and savings</li> <li>• Money calculators, helpful articles and regular updates</li> <li>• Support available online, over the phone or face-to-face</li> </ul>	<p>Call: 0800 138 7777 for money guidance or 0800 011 3797 for pensions guidance - Lines open Mon to Fri 8am-6pm</p> <p>Or visit online at <a href="https://www.moneyhelper.org.uk/en">https://www.moneyhelper.org.uk/en</a></p>

Financial Advice		
<b>Help from Citizens Advice</b>	<ul style="list-style-type: none"> <li>• Free advice on a range of topics, including benefits, debt, housing and consumer rights</li> <li>• Help with managing your money</li> <li>• Support online, in person or over the phone</li> </ul>	<p>Call: 0800 144 8848 or 0800 702 2020 if you're in Wales – Lines open Mon to Fri 9am-5pm</p> <p>Or visit online at <a href="https://www.cas.org.uk">https://www.cas.org.uk</a></p>
<b>Mental Health and Money Advice</b>	<ul style="list-style-type: none"> <li>• Advice and support for people experiencing mental health and money worries</li> <li>• Specialist knowledge of benefits, managing money and mental health care</li> </ul>	<p>Visit online at <a href="https://www.mentalhealthandmoneyadvice.org/scot/">https://www.mentalhealthandmoneyadvice.org/scot/</a></p>

	<ul style="list-style-type: none"> <li>• Award-winning UK-wide online advice service</li> </ul>	
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Housing		
<b>Shelter Housing and Homeless Charity</b>	<ul style="list-style-type: none"> <li>• Housing advice including mortgages, rent and benefits</li> <li>• Help with money and debts</li> <li>• Talk to someone online or by phone</li> </ul>	Visit online at <a href="https://www.shelter.org.uk/">https://www.shelter.org.uk/</a>

## Further help and advice with digital skills

### **The Digital Helpline – A service provided by We Are Digital**

- Free 1-2-1 digital skills training over the phone
- Topics include; Internet Banking, online food shopping, booking a doctor's appointment, using a website, staying in touch with friends and family through video calls, and more

Call: 0345 222 0333 – Lines open Mon-Fri 9am-5pm

Those who are Deaf and use British Sign Language (BSL) can book a session using BSL SignVideo. Available on Safari, Chrome or Firefox web browsers.

Customers who have hearing loss or speech impairment can use the service through Relay UK.



# Terms you might hear

Term	Meaning
<b>Budget</b>	A way to manage your money and understand how much income and the outgoings you have
<b>Debit</b>	When money is taken out from your account, it has been 'debited' from that account
<b>Debt</b>	Money that you owe to other people
<b>Emergency Fund</b>	Money you have saved in case you need it in the future
<b>Income</b>	Money that you get paid
<b>Loan</b>	Money you have borrowed
<b>Outgoings</b>	Money you spend, for example on a water bill