



How to: 9

How to...

manage your money

if you are 13-19



Why budget?

Making sure you always have enough money for what you need or want is what budgeting is all about. If you're living independently, you have a lot more things to pay for so it's useful to keep track.

Budgeting doesn't mean cutting out all the good things in life. You can cut down on your spending and still go out and enjoy yourself. All you need to do is plan your finances.



There's always help at hand if you get yourself into trouble financially. Talk to someone at National Debtline on 0808 808 4000 or check out their website: www.nationaldebtline.co.uk.

What could land you in debt?

If you're shopping online or on the telephone, the price you see is sometimes not the total cost of your goods. Before you confirm your order, you need to know the extra costs that you may have to pay, e.g. postage or a booking fee for tickets. Keeping a check of little things like this will help prevent you getting into debt.

Keep your mobile bill under control. Choose the right tariff for your needs so you don't get too many extra costs. What networks do your friends use? How many texts will you send a month? Ringtones, text alerts, and multimedia messaging are becoming more and more popular. But before you know it, the costs can start adding up and you'll end up with a bill that could push you into debt.

Store cards and credit cards are not a good idea unless you intend to pay off the full amount each month. If you haven't got it, don't spend it!

How to budget

When you draw up a budget, you add up all your outgoings and all your income. Then you subtract the outgoings from the income and hope there's something left over! Use our chart below as a guide:

Income	
Wages/salary	£ _____
Benefits	£ _____
Tax credits	£ _____
Grants	£ _____
EMAs	£ _____
Other	£ _____
Total	£ _____
Outgoings	
Rent/keep	£ _____
Food/lunch money	£ _____
Living expenses (e.g. toiletries, TV licence)	£ _____
Mobile phone tariff	£ _____
Travel costs (e.g. bus fare, fuel, car tax)	£ _____
Other	£ _____
Total	£ _____
Total income	£ _____
Total outgoings	£ _____
Money left over	£ _____



Money left over?

If you've got some spare cash at the end of the month, then the budget is obviously working.

With this money, you could buy clothes or downloads – or, even better, open a savings account.

Other ways of saving money

- Shop around for goods, especially online, as things are often cheaper on the Internet than they are on the high street.
- Loyalty cards are handy if you buy a lot of things from the same shop, and you'd be surprised how quickly points can add up. You can use these points to buy more things.
- Keep your eyes peeled for any money off vouchers in magazines.
- Top salons are expensive – many hairdressing academies are always on the lookout for people who are willing to let a student cut their hair for a reduced price. There is always a lecturer around to ensure no mistakes are made and the discounts can be huge.
- Keep a small change jar and pay it into your account when it's full.
- Share transport where possible.

Types of accounts

Basic bank accounts – these are offered by some banks and building societies. You can open one of these if you're unable to open any other types of account either because of your age, or you've had debt problems. You can withdraw money up to the amount that's in your account.

Post Office card accounts – you can open one of these to have things like benefits and tax credits paid in directly. You can withdraw money up to the amount that's in your account.

Current accounts – these have all the features of basic bank accounts, but you will also get a debit card, cheque book, overdraft facilities, etc.

Savings accounts – you usually need to have a bit of money to open one of these, sometimes as little as £1. They pay interest and you can withdraw money up to the amount that's in your account.

Credit Unions (www.abcul.org) – these are organisations owned and run by people who have something in common, e.g. who live in the same area. You can save money and you'll get a dividend (a bit like interest) on your money every year.

How to choose an account

Current accounts

You'll need to think of a few things like:

- how old you need to be.
- will you get a debit card and cheque book?
- do they pay interest?
- are there any monthly fees?
- where is your local branch?

Savings accounts

Think about the following:

- How old you need to be.
- How much money you need to open the account.
- The interest rate.
- Can you make regular payments to the account?
- Is it 'Easy Access' where you can get your money out straight away, or a 'Notice Account' where you may need to wait a while?

Additional sources of information

www.connexions-cd.org.uk
www.connexions-direct.com
www.nationaldebtline.co.uk
www.direct.gov.uk
www.adviceguide.org.uk

To get in touch...

with your PA or to find your nearest Connexions centre go online to www.connexions-cd.org.uk or give us a call on **0800 9755111**. Calls from a landline are free and you'll be connected to your nearest centre. Calls from a mobile may be subject to a network charge – you'll be connected to our head office, but we can redirect you to your nearest centre.

This Connexions service is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all employees and volunteers to share this commitment.

This Connexions service is committed to improving its products and services. If you have any comments or complaints please contact the Head of Quality, Contracts and Adult Services at Careers South West Ltd, Tamar Business Park, Pennygillam Industrial Estate, Launceston, PL15 7ED.

This publication can be made available in large print, Braille, audio CD or in languages other than English. Please contact Careers South West Ltd on 01566 777672.



This Connexions service is managed by Careers South West Ltd. Our purpose is to engage all of our customers in learning and work.

HT9-06.10 Printed on 100% recycled paper

0800 9755111

connexions