

## Budgeting and working towards a savings goal



### Setting your savings goal

Saving money takes a lot of dedication and commitment, understanding your style of spending can help get you started. You should consider setting a monthly savings goal to help you reach your overall target, the [Money Advice Service's savings calculator](#) will help you do this.

Making saving a habit each month will help you keep to your goals and achieve your overall target. To help with this, you may wish to consider setting up a standing order into your savings account.

### Share your goal

Sharing your goals with family and friends can help make it seem more realistic and influence your progress. It's important to discuss your goals and savings with others, and share your success with them.

### Managing your spending

Managing what you spend each month can make it easier for you to save. Here are some handy tips to help you control your spending. It's also a lot easier to put money into your savings on the day you get paid, rather than waiting to see what is left in your account at the end of each month.

### Create a budget

You may want to think about making a diary to keep on top of what you are spending. This will help you to prioritise your spending to see what is essential and where you think you can cut back. From here you can then set yourself monthly goals to help get you started towards your savings target.

### Savings timelines

Breaking down your savings goal into manageable milestones can make it a lot easier to achieve. For example:

- Goal: Save £2,000 over 12 months, seems a lot less daunting if you save £167 per month or even £38.50 a week; or
- Goal: Save £520 for Christmas presents, is easier if you simply save £10 per week.

### Spend wisely

It might seem convenient, but rather than using your card every time you shop, try using cash to buy non-essential items. This could help you to cut back on what you are spending as you can actually see the money going, it just might make you think twice.

When you go shopping it is important to think about the deals on offer and always make a list before you go. If you weren't planning on buying it in the first place are you really

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getting a good deal? This will help you to avoid impulse buys and feel more in control of your spending. You may find that planning for costly events will help you to stay in control of your money and understand what you really can afford.

Cutting back on certain costs can save a good amount of money:

- Cutting out a weekly takeaway coffee can save over £200 per year
- Cancelling gym memberships and going for a run or home video workouts can save over £400 per year
- Compare gas and electricity prices, can save you on average £300 per year
- Stopping your weekly takeaway meal can save up to £960 per year, and help your health

### How to Get Rid of Debt

To manage your debt, it is important to know where you stand and create a plan. You should:

1. Gather all your information - get full up to date information about where you stand, do your research and know exactly what money you owe, to who and by when.
2. See if you can get better rates – for certain types of debt, you may be eligible to apply for a lower interest rate. For example, if your mortgage is sitting on a Standard Variable Rate, you may be able apply for a product with a lower interest rate.
3. List your incomings against outgoings – get an understanding of how much money you have coming in, and how much is going out.
4. Cut out unnecessary spending – have a think about what you usually spend your spare money on. It may be that you can afford to cut out some of these unnecessary costs, giving you more to put towards getting out of debt.
5. Make overpayments – once you have completed steps 3 and 4 above, you may be able to afford to overpay on your monthly repayments. Overpayments will help you avoid extra interest payments, and pay off your debt quicker.

For more information on managing your money, visit the Government's [Money Advice Service](#) website.

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