

FACILITATOR CHEAT SHEET

What is a 'Budget'? Discussion

Outcomes:

- understand the need and benefits of knowing income and outgoings
- identify different ways of budgeting and their pros and cons
- identify factors that may prevent people from starting or keeping to a budget

Start the session with a discussion about budgets. The aim is to draw out what people think a budget is, how they may budget already, evaluate their own methods and learn new ways to budget. This is a suggested order for the questions:

What is a budget?

- There are many answers to this question. People will budget in different ways. Put simply, it is knowing income and outgoings and making sure that income is higher or the same as outgoings.

How do you budget now?

- This is a chance for people to share their current methods. It is a good way to collect different ways of budgeting. If possible, consider the pros and cons of all or some of the approaches.

What are the benefits to planning our money? What are the drawbacks?

- It reduces stress
- Gives control back
- Helps self esteem - building up confidence that we can manage our money
- Keeps us from going into debt or help deal with existing debt
- If in debt, it's necessary if someone wants to go through the debt advice process
- Helps prioritise money
- A chance to communicate about money with anyone else involved— partner, children, wide family etc.
- A chance to think about what is important to us - what do we really need, what do we want, what spending is habit
- Opens up a dialogue about our dreams for the future with partner / children / others involved

Drawbacks

- May overspend
- Go into debt and possibly incur costs
- Little or no idea of where money is being spent
- Feel out of control or unable to do anything
- Increased stress and anxiety
- Create problems with those around you

MADE OF MONEY

What stops us making a budget / money plan?

- Fear
- Boring
- Scared of what we might find
- Having to face creditors/partners
- Don't have papers in order
- Don't know how
- Feel we don't have enough money to budget

What stops us keeping to a budget once we've made it?

- Don't know how
- Real life gets in the way
- Circumstances change
- Partner/family member sabotages

When is it useful to budget or plan our money?

- Initially when sorting out your finances
- Any time there is any change to your income
- When there is a major change to your outgoings
- Every month/week when paid/benefits received
- At major life changes - a move, baby, etc.
- You can also budget for an event - birthday party, holiday, etc.

What are the consequences of not planning our money?

- Feel more stressed
- May be going into debt
- Not have money available for occasions or yearly costs (Christmas, school trips, haircuts etc)
- Feeling out of control, ashamed

What do we need to do a money plan?

- Info on income or money coming in
- Bank Statements
- Amount for any direct debits / regular outgoings
- Spending diary
- Time
- Space w/o interruption
- Tea / Snack
- Phone off
- No distractions (children in bed etc)

