

SESSION 4: BUDGETING AND SAVING FOR THE FUTURE

Planning for a more secure future

PREVIOUS SESSION

- Discussed the impact of the cost-of-living crisis
- Discussed the impact of the annual budget
- Discussed climate change and its long-term impact
- Discussed what's impacting utility costs
- Discussed how to compare different providers and save money

OBJECTIVES

- Discuss how to reflect on survivor relationship/attitudes toward saving and budgeting and how abuse affected this
- Introduce banking services for victims
- How to present budgeting and saving as paths to financial autonomy from the perpetrator
- Understand budgeting and saving better
- Introduce useful money-saving strategies and budgeting tools
- Increase understanding of how saving is linked to wider structural issues and necessary life expenditures, as well as unforeseen/unexpected events

[Customers in Vulnerable Circumstances - Banking & Payments Federation Ireland](#)

BUDGETING: ENABLING RECOVERY AND FINANCIAL AUTONOMY

- Understanding where money goes and being able to keep track of spending
- Budgeting means something different for different people and households
- Why do people budget?
 - For many, it reduces stress
 - It can provide people with a sense of control and ownership
 - It can also help with self esteem - building up confidence that we can manage our money
 - For many it helps us from going into debt or help deal with existing debt
 - Working towards a goal can be really satisfying

* Short video on budgetting

How often do you save?

NEEDS VS WANTS

- Key to budgeting is to get the most out of your money
- Prioritise spending by 'needs' – bills, rent, etc., and 'wants' – not necessary for day-to-day; this will reflect the survivor's situation so cannot generalise (what other costs might women you work with have?)
- If you buy 'wants' out of habit – a daily coffee for example – check to make sure you're getting satisfaction out of it. If you're not, think about spending that money on something that makes you happier

What you can do to start:

1. Review expenditure on basic goods like food, clothing, and bills
2. Review expenditure on non-basic goods like subscriptions to streaming services.

NEEDS OR WANTS? EXERCISE

Frequency - Organise income and expenses by 'Everyday' / 'Weekly' / 'Monthly' / 'Yearly' / 'Misc.' Include dates + amounts

Fixed vs Flexible - Calculate your bills + expenses and put that aside when money comes in, the rest is flexible. Include savings!

Category - Organise your budget by type of expense: Home/Transport/Food.

You can see where you spend the most. <https://mabs.ie/managing-money/living-on-a-low-income/how-to-review-your-spending/>

* We will now do a budgeting case study together

Converting Figures for Weekly Budget

Monthly Payment of Children's Allowance: €280

Yearly: €280 * 12 = €3,360 per year.

Weekly €3360 / 52 = €64.62 per week



Weekly Payment of Fuel Allowance (28 weeks : End Sept-April): €33

Yearly: €33 * 28 = €924 per year. * **Option to get Fuel Allowance in 2 lump sums - €462 each*

Weekly €924 / 52 = €17.77 per week



*Convert Monthly bill to weekly - simply multiply by 12 & Divide by 52
Or Two Month bill to weekly - simply multiply by 6 & Divide by 52*

TOTAL INCOME Weekly

Total Social Welfare Income:		€312
Weekly Child Benefit:	€280*12 months/52 weeks	€64.62
Fuel Allowance Weekly	€33*28 weeks/52 weeks	<u>€17.77</u>
<u>Total Weekly:</u>		<u>€394.39</u>



Budgeting Case Study

Expenditure Weekly Part 1

HAP Rent payment	€35
HAP Top Up to Landlord	€20
Groceries	€120
Electricity Prepay Metre	€40
Heating Oil and Coal	€35
Transport Taxi Shopping, Bus school	€10
Phones - 2 mobiles (Eliza & Son)	€10
Bin Charges	€7
Clothing	€15



Expenditure Part 2

Education & School	€5
Cable TV	€9
Broadband	€9.39
Personal Care Grooming	€10
Medical Costs - Prescriptions/Creams	€3
Well being & Social	€20
Children Activities	€10
<u>TOTAL EXPENDITURE</u>	<u>€358.39</u>



INCOME LESS EXPENDITURE

Total Social Welfare Income:		€312
Weekly Child Benefit:	€280*12 months/522 weeks	€64.62
Fuel Allowance Weekly	€33*28 weeks/52 weeks	<u>€17.77</u>
<u>Total Weekly Income :</u>		<u>€394.39</u>
<u>Less Expenditure:</u>		<u>€358.39</u>
<u>Surplus/Deficit</u>		<u>€36.00</u> *

Discussion:

* Can this surplus be saved, what about loan repayments, legal fees, any other expenditure not covered in the budget?

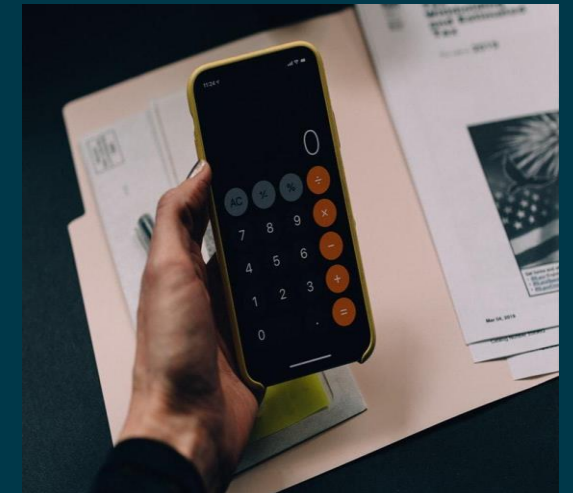


WHY DON'T PEOPLE BUDGET?

- No access to money in an abusive relationship
- Have to account for all spending, but budgeting practices reflect abuse
- Not confident because of consistent undermining and criticism

Other Potential Reasons (can affect anyone):

- Boring & time consuming
- Invasive and emotional
- Financial literacy levels
- They feel like it's their own personal affair or business
- Fear/ scared of what they might find
- Don't know how
- Don't have enough money to budget
- Not comfortable with maths



BUDGET MANAGEMENT TOOLS

- [Mabs Budgeting Tool](#) - Work out your weekly or monthly surplus (about 15 – 20 mins)
- [MABS Self-Help Tool](#) - Helps you to assess your debts (45 mins – 1 hour)
- [CCPC Budget Planner](#)
- Online banking features – e.g. AIB My Money Manager
[Tools/ Useful tools and calculators - Bank of Ireland/6 ways to take the sting out of saving/Savings Calculator | permanent tsb](#)
- **Money Made Sense Pack/Credit card pack and online tools packs:** All topics are relevant and clear. No feedback specifically. Would you consider maybe covering the 50/30/20 rule of budgeting and the snowball vs avalanche method of paying down debt? I just find if people have a rule of thumb it helps.
- [Plan ahead using 50:30:20 budgeting - Bank of Ireland](#)
- [Healthy Debt v Bad Debt - Bank of Ireland](#)
- [Wanna Talk Finances? Financial Wellbeing Chat series \(bankofireland.com\)](#)

BUDGETING: EASIER TO SAVE

- ❖ Helping you track your outgoing costs in order to identify where you can potentially cut back on spending to add to savings
- ❖ Opportunity to communicate about money and savings goals with anyone else involved – children, family and so on
- ❖ A chance to think about what is important to us, and to make choices based on our needs and our wants



SAVINGS OPTIONS IN IRELAND

- Comparing Savings Accounts: <https://www.bonkers.ie/compare-savings-accounts/>
- Would you consider having a “savings account” at the following?
 - Local credit union – why or why not?
 - An Post – why or why not?
 - Traditional bank – why or why not?
 - App-based (Fintech) like Revolut - [Vaults | Revolut IE](#)
 - MABS believe that there should be a government/bank/credit union savings incentive scheme, especially for those on a low income
 - Downside of some options: fees, minimum deposits, access to funds. lack of decent options for people with little savings

ONLINE FINANCIAL TOOLS

- Mortgage and Budget Calculators: <https://www.ccpc.ie/consumers/tools-and-calculators/>
- Bill Splitting: Splitwise: <https://www.splitwise.com/>
- General Spending: Money Lover: <https://moneylover.me/>
- Digital Apps:

<https://www.independent.ie/business/personal-finance/handy-money-apps-to-help-you-better-manage-your-finances-41623253.html>

Revolut budgeting tool

<https://www.revolut.com/en-IE/best-budget-planner>

PRESENTATION ON PENSIONS

NEXT SESSION

- Introduce how to discuss debt with survivors and what to do about it, especially if jointly held with perpetrator
- Identify differences between types of debt, how to compare loans, and how debt grows
- Expand knowledge and awareness concerning “personal debt”, including basic financial terms such as “interest” and “APR”
- Expand knowledge of costs involved with different ways of borrowing money
- Expand practical knowledge of how debt grows and impacts other household expenses
- Discuss how addressing debt can lead to financial autonomy and recovery