

# MoneySense Factsheets

## Budgeting guidance for families

Whether you have children already, you're expecting your first, or just thinking about starting a family, it pays to be prepared. Budgeting is one of the most important things you can do when managing the family finances, not least because there may be more expenses to think about: childcare, food, baby equipment, school uniform, etc.

And then there's the more costly things like holidays, birthdays, more living space, cars, etc.

Keeping on top of your budget and being savvy with your spending is the best way to make sure you have enough to look after your family and do all those fun family things together that you want to.



## Planning a family or new to parenthood

The Government has in recent years, introduced a number of family friendly schemes and benefits worth looking into. We've summarised some of them here.

**Maternity pay and grants** - Statutory Maternity Pay (SMP) is designed to help you take time off work before and after your baby is born and is paid by your employer. To qualify, you must have been employed continuously by the same company for at least 26 weeks into the 15th week before your baby is due and earn at least £95 per week. If you qualify, you'll be entitled to:

- 90% of your gross weekly salary for the first 6 weeks of your maternity leave
- £123.06 per week for the remaining 33 weeks of leave if you choose to take that long off work.

If you're not eligible for SMP, you may be entitled to claim a Maternity Allowance, or a Sure Start Maternity Grant.

**Child Trust Fund** - the Government gives you a £250 voucher for all children born on or after September 1st 2002. This is to be invested in a special trust fund, which you can top up, up to £1200 each tax year. They issue another £250 when your child reaches seven. And families who receive Children's Tax Credit may be eligible for a £500 voucher. The money stays in trust until your child reaches eighteen and any interest or capital growth on the fund is tax free. You can choose an account that is purely savings based, one that invests in shares, or a stakeholder account that invests in a wide range of companies to reduce the risk, as the value may go down as well as up with the shares and stakeholder funds.

**Children's Tax Credit** - are paid by the Government to families on lower incomes who are responsible for at least one child or young person that lives with them. The amount you get will depend on a number of factors including: your income, how many children you have, any other benefits you receive, whether you

work and how many hours if you do, if you pay for childcare.

**Child benefit** - is a tax-free payment you can claim towards the cost of raising your child and is not dependant on income. You can claim it as long as:

- your child is under 16, or;
- your child is over 16 and in education or training, or;
- your child is 16 or 17, has left relevant education or training and is registered for work, education or training with an approved body

There are two separate amounts - you'll receive the higher amount for your eldest child which is £20 per week, and £13.20 a week for each of your other children.



## Tips for smart family spending

The internet is a great place to find deals on everything from second hand baby equipment to discounts on local attractions. Planning ahead and shopping around is a great way to make your family budget go further.

**Join a local parenting group** - it's a great way to find new friends, swap tips, find out about local events and buy second hand baby equipment and children's toys in your area. We've listed a few places to look in the Get more help section.

**Keep your eye out for special offers** - in your local supermarket and online. Think about buying your children's winter clothes for the following year when they're in the sale. Sign up for newsletters for your favourite shops and be the first to know about sales

and exclusive offers. The same goes for holidays - look out for packages that offer free child places to save money, or consider a self catered villa or apartment, it can save you a lot of spending money as well as giving you more flexibility.

**Share and recycle** - you'll find that when you have a baby, friends and family will give you lots of help getting started, with clothes and toys. Keep it going, share and swap things with friends as your kids get older, it saves money and it's good for the environment.

**Think about doing a bulk shop** - try and plan meals in advance and get the essentials rather than popping in and out several times a week, as you may find you spend a lot more that way. You could consider online shopping, it's harder to get tempted by the smell of the in store bakery, or the lure of special offers on things you don't need but just fancy at the time.

**Be bill conscious** - with more people in your household, it's natural you'll spend more on utilities like phone, gas and electricity. But be sure you regularly review what you're paying for when it comes to TV packages,

insurance, etc. Check out comparison websites to see if you could be getting a better deal.

**Save for the bigger things** - planning in advance for bigger expenses like holidays is a great way to make sure you don't get into debt, but can still enjoy quality family time together. Booking in advance sometimes allows you to pay just a deposit, then save to pay off the balance at a later date. It makes good financial sense to save regularly, even if it's only a small amount.

### Get more help with

**Making sure you're not paying too much for utilities**  
Compare gas, electric, phone and more suppliers on uSwitch  
[www.uswitch.com](http://www.uswitch.com)

**Finding out if you're entitled to any benefits**  
Direct Gov - the Government's information site  
[www.direct.gov.uk](http://www.direct.gov.uk)

To find out more



[natwest.com/moneysense](http://natwest.com/moneysense)



For more information  
Visit your local branch



## Get more help with

### [Saving for your child's future](#)

Child Trust Funds  
[www.childtrustfunds.gov.uk](http://www.childtrustfunds.gov.uk)

### [Find childcare in your area](#)

Childcare Link  
[www.childcarelink.gov.uk](http://www.childcarelink.gov.uk)

### [Get Help box voucher codes eating out and more](#)

Special offers from Voucher Codes  
[www.vouchercodes.co.uk](http://www.vouchercodes.co.uk)

### [Find a local parent group](#)

Meet new friends, swap tips, toys and more  
[www.nct.org.uk](http://www.nct.org.uk)  
[www.netmums.com](http://www.netmums.com)

