

Which word best describes your current financial situation?

Manageable

Challenging

Stressful

Desperate

Red2black is committed to helping you **stay in control of your money, avoid money worries and find financial freedom.**

Explore and put into action our 12 steps to move out of the red and stay in the black.

But if you've described your situation as **Desperate** get help ... go straight to Step 11.

## 10: Do some research

You're not in this on your own! Have a look at some of the many helpful and free resources available to help you get moneywise.

[www.uSwitch.com](http://www.uSwitch.com) for comparison of utility and other bills  
[www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk) for financial calculators  
[www.confused.com](http://www.confused.com) for insurance comparisons  
[www.moneysupermarket.com](http://www.moneysupermarket.com) for financial products  
[www.moneysavingexpert.com](http://www.moneysavingexpert.com) for money saving ideas  
[www.moneybasics.co.uk](http://www.moneybasics.co.uk) for basic money advice  
[www.unbiased.co.uk](http://www.unbiased.co.uk) for independent financial advisers

## 11: Get help if you are in debt

If you (or someone you know) are in debt crisis and are unable to make payments to your creditors, **free and independent help is available:**

**Call 0800 027 4995** to speak to the Consumer Credit Counselling Service (CCCS), or use CCCS "debt remedy" tool at [www.cccs.co.uk](http://www.cccs.co.uk)

You can also visit your local Citizens' Advice Bureau (CAB) to speak to a trained debt adviser.

## 12: Expect the unexpected

*Did you know? 1 in 4 UK adults have no savings, and of those that do, 52% could survive on savings for just 17 days should they lose their income.*

Your circumstances may change, e.g. redundancy; pregnancy; bereavement; divorce/separation or you may have unforeseen expenses like car repairs.

Aim to try and save so you have cash in the bank as a cushion against the unexpected. Then try and save so that you can fulfil your plans (step2).

How to move  
out of the red  
& stay in the black



**12 Steps** to help you stay in control of your money

red2black

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[www.red2black.org.uk](http://www.red2black.org.uk)

## 1: Allocate time

Set aside some time on a regular basis to review your finances. If you have a partner, plan to do this together.

## 2: Develop a plan

Set financial goals:

**Short term** 0-12 months  
e.g. Christmas, holidays

**Medium term** 1-5 years  
e.g. paying off debts, saving for a car

**Long Term** 5+ years  
e.g. buying your first house, retire

Tackle what is achievable first.

## 3: Talk to your partner + older children

*Did you know?* 74% of British couples find money the hardest subject to talk about with their partners according to the FSA. They also found that 27% of couples regularly argue when they try to discuss their finances.

Discuss your finances with your partner

If you have older children involve them

Agree your financial priorities together

## 4: Prepare a budget

Prepare and stick to your budget either weekly or monthly whichever suits you best.

Make a list of your incomings and outgoings – **what comes in should be more than goes out.**

Prioritise needs before wants. Make sure you get your finances in order before buying non-essential goods.

Download the Red2Black budget challenge from the resources section at [www.red2black.org.uk](http://www.red2black.org.uk)

## 5: Think cash

*Did you know?* 34% extra is spent if plastic is used instead of cash! Half of all new credit taken out in shops wasn't planned before the shopper left their home that day!

Try using cash for a month, separated into different pots for the different parts of your budget. Have a look at Marias's story at [www.red2black.org.uk](http://www.red2black.org.uk)

Little things add up as well, so at the same time try keeping a record of all you spend for a month. Use a notebook, or if you have a mobile phone download a free 'Spendometer' from [www.creditaction.org.uk](http://www.creditaction.org.uk)

## 6: Review on a regular basis

*Did you know?* The average household could save up to £547 every year by switching the five financial basics (insurance, motor insurance, mortgages, personal loans and credit cards) to the best deal on the market, research from MoneyExpert.com shows.

Review your finances on a regular basis, check household bills as they come in or the statements arrive. Always look for where savings can be made.

## 7: Be aware of the pressures

Be aware that there are pressures you will face in relation to your future financial decision making:

University	Home ownership	Weddings
Holidays	Buying a car	Furniture
	Gadgets / mobiles	

## 8: Spend less than you earn

Aim to live within your means and be aware:

- The more television you watch the more you spend.
- The more you look through catalogues and magazines or go on the internet the more you spend.
- The more you go shopping the more you spend.

Don't buy it immediately – sleep on the idea for 24 hours and see if you still need it when you wake up.

*Top tip:* One excellent way to think about how much you are spending when you are out shopping is to think about the cost of an item in terms of how many hours you need to work to pay for it.

*If you earn £400 a week (£20,800 a year) then you would have to work 2 weeks to pay for a £612 TV / holiday and 5 hours to pay for a £40 pair of jeans.*

## 9: Pay bills on time

*Did you know?* In the last 6 months, 6.9 million household bills went unpaid and 5 million people missed credit card payments.

Aim to pay all your credit card bills off at the end of each month. If you cannot achieve this aim to do it within 3 months or 6 months at the most.

Continues on the back page!