

BUDGETING

Jill Harrison and Jesslyn Parkes offer some simple financial advice.

For many people, caring has serious financial consequences. Even if you carry on working, you will probably find that your expenses go up. For example, gas and electricity bills are likely to be higher. If you have to leave work, you will almost certainly find it hard to make ends meet on social security benefits.

Here are several practical steps that you can take.

MAXIMISE YOUR INCOME

- Check that you and the person you care for are receiving your full benefit entitlements (see 'Finance: Benefits', page 47, or consult a local advice agency). If the person you care for cannot manage their money, you may be able to take over their claim. The DSS leaflet AP1 contains details.

- Check your income tax position. People on a low income do not have to pay tax and so can apply to receive in full interest payments on their savings; normally tax is deducted automatically. Check, too, whether you are receiving your full tax allowances – a local tax enquiry office or advice centre will help.

- If the person you care for has been disabled in an accident, do seek legal advice as to whether compensation can be sought through the courts. People on a low income may get help through legal aid.

- Most benefits allow you to do some part-time work without your money being affected. Consider part-time work or working from home, but do get some advice first. Renting out a room in your house is a further possible source of income.

- Talk to others who live in the house (adult children, for example), to see whether they could be contributing more.

- If you have a bill you cannot meet, see if there is a charity that can help.

MINIMISE YOUR OUTGOINGS

- Spread your fuel and other bills over the year through the budget schemes, or buy savings stamps at the Post Office.

- Make sure you are not spending money on things you could be getting help with, such as prescription charges and school meals.

- Consider insulating your home in order to cut down bills, and seek advice on whether you qualify for a grant towards the cost.

WORK OUT A BUDGET

At this point you should work out a weekly budget, remembering to allocate a weekly sum for one-off expenses like the TV licence, repairs and Christmas and birthdays. If at first it does not balance, go over the points above again.

DEALING WITH DEBTS

You may also have to find money to pay off pre-existing debts, such as rent arrears and credit card bills. Don't despair – even the worst muddle can usually be sorted out with help from a money adviser. Your local advice centre may have one or will put you in touch with one. Most companies are prepared to accept very small weekly payments while you are in difficulties. Do seek advice now, for the longer you leave it the worse it gets!

USEFUL INFORMATION

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