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Financial savvy

3 ways to AFFORD MORE TIME WITH YOUR BABY

REORGANISING YOUR FINANCES AND MAKING SMALL CHANGES TO YOUR SPENDING HABITS WILL REAP BIG REWARDS FOR YOUR FAMILY LIFE

Pregnant and pondering how much maternity leave you can afford to take? Had your baby and started the countdown back to work already? Whatever your situation, most new mums want to spend as much time as possible with their babies, and with a few simple strategies in place there's no reason why, financially, you shouldn't be able to. So read on for easy, achievable ideas to help you cut down on the big bills and simplify your spending...

1 TAKE A LONG, HARD LOOK AT YOUR FINANCES

It's tempting to put this off, but don't. Grab a big notepad and start jotting down your income and outgoings. Once you can see exactly what is coming in and going out each month, you can →

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take steps to reduce those payments. Work out what you can do without – for instance, do you really need your hair coloured every six weeks? Do it every 10 weeks and you've saved yourself £150 a year!

As well as rooting out the non-essential money-drains, this handy exercise shows you exactly how much you need to live on each month, so you can calculate how many hours you need to work each week. Be prepared to make some sacrifices and changes. Your baby will most definitely be worth it!

2 PUT ALL YOUR FINANCES IN ORDER

In an ideal world, you would be financially sorted before you embark on the 'baby business' – but not everyone is that organised and if you've left it until your little angel has arrived, don't worry. Here are some tips to get started:

- **Don't panic** What your baby really needs, materially, is relatively little.
- **Don't allow yourself to get overwhelmed** Now is not the time to make financial decisions that you're committed to for years to come. Think in the short term – perhaps just the next few years. Your baby will be at school before you know it, and you can reassess then.
- **Get professional advice** An independent financial advisor will help you assess your situation and make suggestions for improvements, or your bank may be able to provide advice as

part of its service. Also check that your bank is working for, not against, you. Are you charged every time you go overdrawn? If so, switch to a bank that will give you an authorised overdraft.

■ **Curb your spending**

If you have store cards, pay them off and ditch them – they are incredibly expensive if you can't pay your whole balance every month. Also familiarise yourself with payment dates on credit cards, as missing payments can be more

money down the drain in late charges and may affect your credit rating.

■ **Lose the non-essentials** Take a close look at the standing orders you have going out every month, and decide whether they're essential. Is a gym membership likely to be put to full use now that you're a new mum? Perhaps you could put it on hold for a while, or find cheaper ways to exercise: walking with the buggy is a brilliant way to lose pounds (the right ones!) and entertain your baby – for free. Revise all those add-on channels you're paying for in your TV package, too. Nobody ever died from not having Sky Sports (but just try telling that to your partner!)

■ **Don't skimp on essentials** Yes, you do need life insurance, buildings and contents insurance and car insurance. Should you ever need and not have them, it would be a financial disaster.

■ **Consolidate your debt** It makes it easier to budget if you have all your debt in one place, with manageable, fixed monthly payments. Check out the deals being offered by reputable banks

and building societies, but always make sure you read the small print.

■ **Don't stick with what you know**

Switch your insurance, phone and utilities to the lowest-priced providers, and take a close look at your mortgage – could you get a better deal elsewhere? You might also want to consider taking a mortgage break, where the months you haven't paid are then added on to the term of your mortgage. This 'payment holiday' will free up some cash for when you probably need it most. Do talk to your mortgage provider first, however – don't just stop paying!

3 CLAIM EVERYTHING YOU'RE ENTITLED TO

You don't have to be on a particularly low wage to be eligible for benefits (even royalty are entitled to Child Benefit!), and most couples earning less than £50,000 a year between them are entitled to something. There's no shame in accepting benefits, especially when you've probably paid a lot into the system via tax, and will do so again. It's your turn to get something back! After all, you're doing the most important job in the world – raising your children.

Check the following benefits to see what you may be entitled to:

- ✓ Statutory Maternity Pay
 - ✓ Contractual Maternity Pay
 - ✓ Maternity Allowance
 - ✓ Child Tax Credit
 - ✓ Working Tax Credit
 - ✓ Child Benefit
 - ✓ Child Trust Fund vouchers
 - ✓ Maternity Exemption Certificate
- For advice regarding benefit entitlements, visit the government site www.direct.gov.uk.

Did you know?

Research shows the average cost of bringing up a child from birth to the age of 21 is over £185,000. Just think how much less you'll be spending with these handy tips!

Budgeting for life

Resist the urge to glaze over at the mere mention of 'budgeting'. Reassessing your finances has lots of benefits. You don't have to compromise your lifestyle; you'll just do things differently. You may find you're much more creative and relaxed than you used to be, and that it's a relief not to get stressed about the more material aspects of life.

However much more time you can afford to spend with your baby – whether six years, six months or six hours – thanks to reassessing, enjoy it. It's a precious time, and one that will be over all too soon...



READER OFFER

For more advice, check out *How to Afford Time Off With Your Baby* by Becky Goddard-Hill (£7.99, Vermilion). To buy the book for the special price of £6.99 inc. UK p&p, call 01206 255800 and quote the reference 'Prima Baby'. PB

