

## June / July 2009

### Release... *Credit Crunch — Why Budget?*

In the last issue there was a personal story about someone's life being dramatically improved because they took the (sometimes difficult) step of seeking advice regarding their debts and money.

There is much publicity about the 'credit crunch' and the escalating costs of daily living. The cost of living has risen over the months and for most of us our income has hardly risen at all, and for many there is the looming threat of redundancy, reduced hours, loss of overtime or other income.

We are limited in what we can do to improve our finances, but the old adage 'fore-armed is fore-warned' is relevant. If we know what we have coming in and how we spend it, we can make informed choices on what we buy and spend – we each have different priorities. The starting point is to summarise our income and expenditure – creating a budget can be very enlightening and beneficial.

As Mr Micawber in David Copperfield by

Charles Dickens, says: - *'Annual income twenty pounds, annual expenditure nineteen pounds nineteen shillings and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds nought and six, result misery.'*

Some numbers - 1 in 33 people in work estimated to become unemployed in 2009, £59,765 average household debt, £199m amount of interest paid in the UK daily, every 10 minutes a property is repossessed, 2,915 people made redundant every day, 1 person every 4.5 minutes declared bankrupt or insolvent, £91m interest daily amount the Government pays of our national debt.

There are many ways of creating a budget and tips for improving our financial situation, please contact us for more information.

**For free, confidential and non-judgemental advice on creating a budget and dealing with debts, contact RELEASE (Financial)**

Charitable Trust on 01773 306289 or 07854 296344.

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