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**A Financial Refresh**

**January 2025 | Paul Fox | Regional Manager SW | MaPS**

**A Financial Refresh for 2025**

Unsurprisingly many of us are keen to get our finances back on track in the New Year. The last quarter of the year typically sees many families ramp up spending on gifts, food and entertainment, and the average spending per head during the Christmas period now varies between £700 to £950 across the UK. More than a third of us will make at least one financial New Year's resolution. However, if they are going to last beyond January, we need to take the right steps to ensure we stick to them. Here are three areas to focus on in 2025 to help you improve your family finances.

**Budget Planning**

Getting our money to go further is something that most of us would like to achieve – and there are lots of ways of doing it, including using our free budget planner. MoneyHelper has a collection of guides that will help you in starting a budget, and we can also help you to understand the best ways of keeping track of your money, managing a budget, and how to avoid going into the red.

Using our free budget calculator will help you understand exactly where your money is being spent and how much you have got coming in. Knowing how to manage your budget and keep track of where every single pound is being spent is a fantastic first step to help you starting saving, get out of debt or preparing for moments that matter in life.

[www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner](http://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner)

Accessing our budgeting tool will give you and your family access to the following;

* A place to record all your spending so you do not forget anything.
* A breakdown of your finances by category
* Personalised tips when you are all finished.

**Building a Savings Habit**

There are three main reasons why it makes sense to try and save regularly:

* For emergencies: a financial buffer to make sure there’s money available if something unexpected happens, such as your car or washing machine breaking down.
* To fund purchases: this might be a deposit for your first home, a holiday, or days out with the kids.
* To live comfortably in the future: although it might seem far away, when you stop working, your income will go down and you will probably have to rely on money you have saved to keep up a reasonable standard of living.

Having a savings habit is an important skill that can help you achieve your financial goals, however, building a savings habit can be challenging for many people, especially in the economic climate we are currently in. The best way to start building a savings habit is to understand your current spending habits, and our budgeting tool will help you to do that. Then set realistic goals and try to automate your savings. By tracking your expenses, you can identify areas where you can cut back (something we refer to as wriggle room), and then redirect that money towards your savings. Setting realistic goals will help you stay motivated and avoid feeling overwhelmed. Finally, automating your savings ensures that you do not forget to save and makes the process effortless.

[www.moneyhelper.org.uk/en/savings/how-to-save/getting-into-the-savings-habit](http://www.moneyhelper.org.uk/en/savings/how-to-save/getting-into-the-savings-habit)

**Dealing With Debt**

January can feel as though it brings additional financial pressure and has the propensity to feel overwhelming. Extra Christmas spending, larger use of utilities and an extended pay period can all compound what might be a problem debt situation. Remember, if you find yourself in problem debt please do not suffer in silence. You have taken the first key step by reading about dealing with debt, so you’ll be pleased to know you’re in the right place as our guidance is easy to understand and practical.

We will tell you where to go for free debt advice, and how to speak to the people you owe money to. We will also give tips to help you pay back your debts in the right order. We have also got some guides that will explain the different ways you can pay off your debts, so you can understand more about the journey towards being debt-free.

[www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt](http://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt)

It is important to avoid unethical online debt websites, many will just want to take a fee or a commission for selling your information to an inappropriate debt advice provider.

**And Finally …**

We often make emotional purchases, especially in the run up to Christmas, without allowing ourselves enough time to think them through thoroughly. These decisions can often have longer term effects, and the New Year is the perfect time to refresh your financial decision making and put some changes in place to improve your overall financial wellbeing. It is often difficult to start thinking about a financial refresh, but by following these small steps you can begin your journey to a more secure financial future.

The Government’s Money and Pensions Service can support all families who need it with free, independent and impartial money and pensions guidance. We exist to help you and your families whatever your money questions or concerns.

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) 0800 138 7777

