I am a single mother with one primary school child living from pay cheque to pay cheque what saving tips can I do for the future?

Here are a few tips: Plan meals in advance and only buy food on your shopping list; avoiding impulse buys; use cash instead of cards; register with http://www.petrolprices.com/ to find the cheapest place to buy petrol; do online price comparisons before buying products; raise the excess on your insurances; don't automatically renew your insurances; put aside money each month for less regular spends; instead of presents give gifts of a service such as looking after a friend's child; buy own brand products; exchange any supermarket loyalty points for deals which give you greater value.

Since the economy is so bad now, what are the opportunities in terms of investment, for us who have spare cash?

It all depends on what risk you're willing to take and how long you can tie up your money for. It's best to seek independent advice and set out what you want as well as your attitude to risk. Otherwise take a look at http://www.fool.co.uk/ or http://www.h-l.co.uk/ for investment ideas.

Any chance the US$ could come down again--or the CDN$ up to par again? (I live in C.America) thnx! Denise

Hi Denise, We can't really speculate on the value of particular currencies – I'm sure there are a lot of top economists who'd also like to know the answer to this question and can't answer it themselves!

My property needs repairs and improving. As property prices are still going down, is money spent here a waste of money? Sandra

Hi Sandra, interesting question. The money spent on doing up the property would be a bigger proportion of the value if prices fall. But whether or not it's right to spend the money now depends on several things: how long you plan to stay in the property, how badly some of these jobs are in need of doing and whether you can afford to make these repairs and improvements. If the work is necessary and you can afford it without having to borrow, then it probably makes sense to do it now.

Do you have any tips for first time buyers without a great credit history for getting on the property ladder (in London!) – Keri

Hi Keri, There are ways to improve your credit rating. Make sure you're on the electoral register, don't miss any credit repayments and close credit agreements that you no longer use (like old credit cards). Then try to build up savings. The larger the deposit you can put down, the easier it will be to get a mortgage.

What proportion of rent, etc, can I claim as tax deductible - self employed, work from home – Jo

Hi Jo, the proportion you can usually claim is based on the number of rooms in your property excluding the kitchen and bathrooms. So, let's say you have a living room, bathroom, kitchen, two bedrooms and an office, you could claim one quarter of all allowable bills as a business expense. If that office were only used 90% of the time – sometimes used as, say, a spare bedroom – then the calculation would be 1 / 4 x 90%

Would I be better off putting my money in an overseas bank such as Bank of Australia or New Zealand

UK banking law currently covers £50,000 of your savings if the bank goes bust, You'd need to see what protection laws each overseas account is covered by and compare it to the protection offered by the UK. But also don't forget to take account of the how exchange rates vary if you hold money in another currency.

I can't find pensioncalculator.org.uk online - have I got the correct address? I would like to work through my pension predictions...Thank you, Stephanie.

Hi Stephanie. Unfortunately, the pension calculator is currently out of service while they're working on an updated version. In the meantime, try this online calculator: http://www.h-l.co.uk/pensions/pension-calculator.

Why is there no talk at all on the news of the good banks like Co-op, Smile who only lend what they have received from customers? Are the government afraid too many of us might avoid the crap usual banks ???

Good point - as with so many things, it's often only the bad news we hear about. There's another great innovative organization, which doesn't often hit the press – Zopa (http://uk.zopa.com/). They are a social finance company where people borrow and lend money direct to the public, bypassing the banks.

Valentina. How do Credit cards actually work?

They work like this. When you buy something using your credit card you don't hand over any money at the time. It just goes onto your credit card bill. At the end of each month the credit card company sends you the bill. If you pay it in total, that's it. Or you can just pay some of it and leave the rest to carry over to next month. But the credit card company adds interest on to that amount so you owe them what you spent plus a bit more. That 'bit more' can be as much as 19% more – so it's a very expensive way of borrowing money. But, if you pay the bill off every month, it's a convenient way of spending and some companies offer enticements (such as a small amount of cash back or Air Miles), so if you're canny you can use them to your advantage.

What is the lesson to learn about periodic economical crisis?

Good question, and probably one for the country's bankers and financial decision makers! However, ours would be simply not to be complacent and greedy and don't borrow too much.

I am in £21k of debt and have recently received an inheritance of £13k, should I use the money to pay off my debt or invest it? I feel that that money - left to me by my Grandma - has an emotional tie to it, so I am loathe to use it for debt repayment. Gail

Hi Gail. We'd generally say pay off debt because you'll be paying a higher rate of interest on your debt than you're likely to get if you invest the money. Say you're paying around 17% APR on your credit cards, you'd need to earn more than 17% interest a year to make it worthwhile investing, which is pretty unlikely. The key here is whether your spending habits that put you into credit card debt have changed and how you would otherwise pay off the debt. If this inheritance means you can see a debt free day in the near future and you can stick to only spending within your means, it would be a great use of your Grandma's money.

My partner procrastinates to obsession when spending money, it took him 2 years to buy a flat screen TV despite having the funds. He believes I'm impulsive although I always assess my needs carefully and purchase accordingly and after much thought. We often argue about money and he says that he earns the money. Despite the fact we have 3 children and we have agreed that I work part time to ensure the children are given a good upbringing. I hold 10% of our wealth, he feels he is generous as he gives me a good amount of housekeeping every month and he pays for all the household bills including food, all car expenses, holidays etc. I feel that the asset part of our relationship is unbalanced at the moment, can you advise?

You're not alone - money differences are a major cause of arguments between couples. In many cases the real issue isn't who earns and owns what, it's about what power each partner has. If that's the case, it's the imbalance of power issue that really needs sorting before you can come to a better arrangement about how the money's shared. Our 6th law of Sheconomics covers this, but the key message is to arrange a time to talk when you've got no likely interruptions and agree some objectives and ground rules for the discussion.

What's the best way to get rid of Credit Card Debt?

1. Stop adding any further debt to any of your credit cards now.
Either cut them up, keep just one for emergencies, or leave them at home.
2. Work out how much you can pay off each month (download 'Your Sheconomic Monthly Spending Plan' from the Resources page of our site).
3. Work out how long it'll take you to be debt free and use this to help motivate you. There's a fabulous online calculator to help you do this at http://www.whatsthecost.com/snowball.aspx .
4. Stick to your spending plan until you've repaid the debt. This may involve tackling those emotional spending triggers and any self-limiting beliefs you have around money.
5. Meanwhile, if your credit rating is good (check with Experian or Equifax beforehand), look for a new card with 0% interest on balance transfers that you can move your credit card balance to.
6. Make sure you pay off the balance before the 0% interest offer expires, otherwise you could be hit with a high interest rate again.
7. Or transfer your debt to a card that charges a low interest rate for the lifetime of the transfer – until you repay the balance transferred in full. Visit a comparison site like www.moneysupermarket.com to compare different deals.

How do I use the little money and credit facilities I have to my best advantage. Theresa

Thanks for your question Theresa.
Now more than ever people need to pay off debt and build up savings as a safety net in case of emergencies. If you're employed, build up savings that total three times your monthly expenditure. If you're self employed, aim for savings of six times. And save for expenses that don't come up every month, like holidays, car bills and Christmas. That way you'll avoid ever having to use credit.

I have a PEP at the moment in the European Funds market, should I move it to a better deal or leave it where it is for now? When is a good time to move it - (under £2500 in there)?

It's always a good idea, and particularly so now, to review investments. Whether the specific fund you're in has good prospects for growth isn't something we can advise on, nor market timing. PEPs (or Personal Equity Plans, the predecessor of ISAs) go back some time so you've probably had yours a while. Independent financial advice could be expensive so try online advisers like Hargreaves Lansdown's fund research (http://www.h-l.co.uk/funds). Choose the investment fund from their drop down menu and read the commentary they have on it.

During economic times like these, which are the best areas to make cut backs?

Cut back on regular outgoings like utilities, phone, internet, mortgage or insurances. Use a comparison site like www.uswich.com to compare deals. Cut back on your entertainment budget by snapping up cheap restaurant offers or, if you live in or around London, look at Time Out (http://www.timeout.com/london/features/6248/Time_Out_London_offers.html) for offers on anything from cinema tickets to great restaurants. Check out comparison websites like www.kelkoo.co.uk before buying anything from the high street. And if you shop at Tesco, quadruple the value of your clubcard points by redeeming them on clubcard deals (http://www.tesco.com/clubcard/deals/) rather than spending them in the store.

I took a 0% Virgin card offer, paid as always through my bank, once only the money arrived a day late and yet I have been charged interest for the past 5 months, is this correct?

The balance transferred is interest free for the period of the offer (16 months currently) so you should only have been charged for once month. Virgin's 0% balance transfer deal also came with an offer of 0% interest on new purchases made within 6 months. If you took up that offer, and the 6 months have passed this could be why you're being charged interest. Although you may think you've paid that bit off, Virgin doesn't treat any payment made as contributions towards the purchase debt until you've cleared the balance transfer. So you'd need to have cleared the entire balance within 6 months to not be charged interest. They catch many people out with this – it's always best to use different credit card for balance transfers and new spending. Give Virgin a call on 0800 0150306 to check this out.

How can I make money in an ISA work harder in the face of low interest rates? Would it be wise to put some into premium bonds in the hope of winning something? If there is little interest to be gained, then the chance of a gain via prize money might be better - what do you think of this? Thanks. Jacqui

Thanks for your question Jacqui. Sounds like your money is held in a Cash Individual Savings Account (ISA). With savings rates so low, you could look for a fixed rate Cash ISA but the best around currently (Feb 09) only pays about 3% and you'd have to tie up your money for the term of the deal. Or switch away from cash and try a Stocks and Shares (or Equity) ISA, where you keep the tax benefits of an ISA but have access to investments that could earn you more than cash savings. But your money could fall in value and once it's transferred from a Cash ISA to an Equity ISA you can't move it back again. There are lowish risk funds you could choose but it's complex to go into detail here. For more information, get a free guide (http://www.h-l.co.uk/funds/free_guides_and_knowledge_centre) from Hargreaves Lansdown called "Investing in a time of reducing interest rates".

Premium Bonds offer tax-free prize winnings instead of interest but the value of the prize fund is also linked to interest rates, which is currently only 1.8%. So the reduced interest rate means that the chances of winning has changed from one in 24,000 to one in 36,000.

Do you think it will take 10 years for the markets to return? Anne

Hi Anne. It's impossible to second guess how long markets will take to recover. We can look back at previous stock market crashes and try to learn from them, but each crash is different. A partial recovery is likely to happen quickly, but a full recovery is likely to take a lot longer. Some investment markets are likely to recover quicker than others though. For instance it's widely believed that the corporate bond market has to stabilise before the share market recovers. (Investing in a corporate bond is like allowing a company to borrow money from you at a fixed rate of interest over a specified period of time with a promise to repay the capital at some future date). So although we don't know how long it'll take for the market in general to recover there may still be some investment opportunites.

The credit crunch seemed to get very bad, very quickly, was there a trigger event? – Kerry

Hi Kerry - thanks for your question.
The real trigger was the banks overextending themselves and operating in a way where no-one seemed to fully understand the heightened risk they were exposed to. Volumes of US debt were lent to people with impaired credit, which was then packaged up and sold onto other financial institutions around the globe. The same parcels of debt were sold from one to another to finance yet more lending. This was all fine and dandy while consumers could afford to pay back the debt and financial intuitions continued lending to each other, but the house of cards quickly tumbled when people defaulted on their debt and all around the world banks stopped lending to each other.

This resulted in Northern Rock's near collapse (they had lots of risky loans and couldn't raise enough money from foreign loans to stay liquid) and the first bank run in 100 years, followed by a major fall in confidence and plummeting stock market returns. And in the US the banking crisis hit a real frenzy when two of their mortgage finance giants Fannie Mae and Freddie Mac became nationalised and the investment bank Lehman Brothers (which didn't take deposits and relied most heavily on the ability to borrow) collapsed.

What tips can you give me to stop me spending money on clothes, shoes and bags?

Women often use shopping as a way of managing or regulating emotions. We've got loads of tips in our book to overcome the pull of shopping but one of our core key messages is that managing your mind is key to managing your money. So become aware of the emotions that drive you to spend and find other ways to treat yourself that don't take you near the shops. Maybe get a new hobby, spend time with people you value or go for a walk in the park. Research shows that a walk boosts self-esteem whereas shopping lowers it. And women with higher self-esteem are less likely to be compulsive shoppers. When you do need to buy something decide in advance what you plan to spend, leave your cards at home and make a cash purchase instead. That way you'll find it harder to overspend.

Is now a good time or a bad time to be paying into Personal Pensions? Helen

If retirement age is still a way off, now would be a good time to pay into a pension. And the tax advantages are still good, especially if you're a higher rate tax payer. Try to pay contributions in regularly every month so you smooth out the highs and lows of the market by buying more shares when prices are low and fewer shares when prices are high. Most pension funds are invested in the stock market and although the market may still be falling, we know for sure that prices are a lot cheaper now than they were a year ago. It's also a good idea to spread money across funds that invest in shares in different regions. That way, you'll be better protected for the future.

Is there anything we individuals can do to help the bigger economic picture as well as ourselves?

Great question…
The current economic climate leaves us feeling pretty powerless so let's focus on the things we can control. Get your finances straight by paying off debts, living within your means and building up rainy-day savings (even though interest rates may be low). Although our confidence in the economy has taken a bit of a beating, we need to remain calm and act rationally.

Our 1st law of Sheconomics reminds us to 'take emotional control.' This means not acting on your emotions unless they genuinely warning you of real danger. So, if you've got money invested in the volatile stockmarket and feel fearful and desperate to pull out, provided they're well invested and you're able to commit them for the long-term, resist the temptation to sell shares or investment funds. By staying in the stockmarket, and adding to it, you'll help boost confidence in the economy and get us out of recession quicker. Where possible, we have to continue with business as usual – continue buying and selling homes, spending money (within your means) and investing for our future goals.

If I've lost ~20% on my ISA's and other investments, should I cash out half of it and put it into a deposit account?

Good question given the current market. But it depends exactly how your money is invested, what risk you're exposed to and whether you may need the money in the short term. Now would be a good time to get someone to review your investments. If you're able to commit them for the long-term, they're invested well and balanced between different types of risk, we'd advise against cashing in now. If you do you're guaranteeing yourself a loss.

My mortgage payments have gone down but I have left them at the original level to pay off the capital - is that a good idea?

It's a great idea! Just double check that your mortgage is flexible enough to allow this and that the extra payments will immediately go towards reducing the loan. All being well you'll be shot of your mortgage sooner than you'd planned without having to cut back on spending.

My main income is from renting 2 commercial properties. However, one of my tenants is in serious trouble due to the credit crunch and might not be able to pay the next rent due. This is going to seriously affect my standard of living and I am hesitating between selling the freehold of the property (which might prove difficult in the current economic climate) and investing the money in tax-free savings, or try and find a new tenant. What would you suggest is the best move and the most realistic at the moment? Danielle

Hi Danielle, thanks for the question.
Selling your freehold is a pretty drastic measure. Unless it's something you would consider doing ordinarily, it seems like you'd be sacrificing future profits and selling at a low value to avoid putting your tenant out. Talk to your tenant and agree a timeframe that he has to pay any arrears by.

What percentage of my earnings would you advise I should aim for in savings? My mortgage and bills are manageable and I have some savings and no loans or credit cards. I do not have a pension as I am trying to buy a second property, using my current property for rent and for pension money. I am 37 and single. Thanks. Lorraine

Dear Lorraine.
If you're starting a pension the rule of thumb is to contribute at a rate equivalent to half your age. It's a good savings rule too, so we suggest you aim to put away around 19% of your earnings. If you're building up assets elsewhere you could argue for a lower proportion - but it's important not to just rely on a property as your pension. By not paying into a pension, you're also missing out on valuable tax relief.

How can I prevent the "instant" money fix burning a hole in my pocket? Any tips to convert a spender to a saver? Gemma

Hi Gemma,
Thanks for raising this common problem. Think about what's really important to you and then create inspiring savings goals. Whether it's putting away money for the kid's education or to fund a trip to South America, start today.

I have a second property that I own outright. I want to sell it to free money for me. It has been on market for a year. I don't know whether to rent it out or leave it empty. I can manage without the income if I sell unit trusts. Thanks Anna

Hi Anna,
There is a halfway house here. Why not find a tenant you know and trust and charge them a low rent, but on condition that they keep the place looking good? Then when it comes to showing round potential buyers you know it'll be in a saleable condition. That way it's a win-win for everyone.

I have a property worth £250,000 and no mortgage. What advice would you give me about re mortgaging to pay off existing debts and to give me a little extra cash? I'd like to have about a £30,000 mortgage. I'm really unsure what to do and how best to shop around for a mortgage if that's the best option. Many thanks for your help. Tracy

Dear Tracy,
Mortgage rates are usually lower than those on loans, and much cheaper than the extortionate rates some credit cards charge. But that's only because they've got your home as security against the debt, so if you can't afford to keep up the payments you risk your home being repossessed. If you're comfortable with that, taking out a mortgage could be a sensible option but only if you choose to treat it like a loan and pay it off over a short period of time. If you opt for a long mortgage term to make the payments more affordable, it'll end up costing a lot more than other debt repayment options. Have a look at the Financial Service Authority's 'money made clear' website: http://www.moneymadeclear.fsa.gov.uk where you can work out the cost of a mortgage and compare deals. If you go down the mortgage route, watch out for high arrangement fees which can work out as a disproportionate expense

with a small mortgage.

What is your top money attracting tip? Annie

Hi Annie,
It's more of a package than a single tip! Know where your money goes – keep a record of your outgoings – cut back on unnecessary extravagances and shop around for top deals. Then regularly sweep some of your income into an account that attracts high interest and watch it compound.

I am really scared about logistics firms going bust and there being a food shortage as a result. Is this likely to happen? Julia

Hi Julia,
Without a crystal ball we can't give you a definitive answer - but given the diverse range of food sources it's probably unlikely.

What is the secret to staying on top of finances while on maternity leave with only £117 per week as a wage?

Our first piece of advice is to avoid debt if you can. Even if it means living frugally for a year or two, don't saddle yourself with loans or credit card balances that escalate. Hone your bargain hunting skills, learn how to revamp old gear into new trends (see http://fashionfavours.com/) and don't rule out charity shops for toys and baby stuff.

When will the best time to take Equity Release or equivalent? When interest rates are at their lowest or when the value of my house is at its highest?

There are two ways to release equity from a property - the most common one is to release a lump sum by taking out a lifetime mortgage on your home. This doesn't have to be repaid until you die. The other way is to sell part of it to provide you with cash or a regular income (called a home reversion plan). You're likely to get better interest-rate deals on lifetime mortgages while interest rates are low. But if a home reversion plan is more suitable for you, you'll get more as the property price rises. It's an important decision so get independent financial advice before deciding which option is best for you.

Half my pension is preserved in a small (now closed) former employer's final salary scheme. There are only 200 members of the scheme. Would it be better to transfer my benefits to my current employer's large final salary scheme. (With 1000s of public sector members)?

A pension scheme with more members isn't necessarily any safer. More significant is whether your old scheme is in the private sector. You might consider it safer to transfer it to a public sector scheme, but you should first check the full terms of the existing preserved pension and compare it to what you'd get by transferring. It's not just a solvency issue. For example, would the transfer 'buy' you exactly the same pension at retirement? What about benefits in the event of death, pension increases in retirement etc. It's quite a complex decision and would benefit from independent advice. It's also worth bearing in mind that the government launched a Pensions Protection Fund in 2005 which provides compensation if a final salary pension scheme runs out of money.

I have recently engaged in a new matched contribution pension scheme at my workplace. Is it safe to reduce my personal pension contributions while I am in this new work scheme? Signed G.

Hello 'G',
It is 'safe' to but if you can afford to continue funding the same amount into your existing plan you'll build up far more for your future. See if you can arrange a chat with an independent financial adviser through your employer. Then ask her/him to compare the charges and fund choice of each pension scheme. It could work out better to stop the old scheme and instead direct the extra monthly contributions into the new one.

With uncertainty about the stability of the pound, holding a great deal in cash no longer seems best - or is it still, in your opinion? C

Hi 'C',
Holding a large amount in cash is unlikely to produce the best returns for you over the long term not because of the instability of the pound - more because interest rates are coming down and inflation is still relatively high. This means that the interest you earn on savings is barely keeping pace with inflation. Depending on whether you can afford to tie up capital for the long term, alternative Investments may be more suitable for you.

I am curious about the links between boredom/feeling unsettled and spending patterns. Why do women in particular attempt to "fill a void" in their lives with objects, shoes, bags, etc?

We could go on and on forever here! Do have a look at our book Sheconomics. There are a number of reasons, including being brought up to be valued for how we look, a society that values us for what we have, a media and celebrity culture that glamorizes these 'must-haves', our hormones (yes, we get more impulsive and spend more recklessly later in our cycle), habits and the fact that women externalize their emotions in this way more than men.

Can I invest in pension plans without using an IFA? Janet

Hi Janet.
You can deal with pension companies directly but, better still, if you know what pension you want to buy, go through an execution-only broker (where no advice is provided, they just set the plan up for you). If you go directly to an insurance company to buy your pension you'll pay normal charges, whereas an execution-only will offer discounted annual management charges (equivalent to paying more into the plan at no extra cost to you). There's a couple of discounted brokers listed at the bottom of the Resources page of our website - companies like Hargreaves Lansdown

and Cavendish Online. You could also check the comparison tables of the Financial Service Authority's website (there's a link on the Resources page of our website) to compare pension products. But don't underestimate the value of using an IFA to steer you in the right direction.

I cleared my credit card for the first time in 11 years a couple of months ago. I am going on holiday today and quite anxious of the amount I'll be putting on it and then already panicking about how I am going to pay it off. Also with Christmas coming and a lot of my policies up for renewal in the New Year, I just don't see how I can escape falling down the slippery slope into high interest rated debt again. Lopa.

Dear Lopa,
Well done for spotting the warning signs and looking ahead. Consider going away without a credit card and just taking travellers' cheques. If you can't afford Christmas gifts without going into debt explain this to friends and family. Make small gifts, or offer your time to people (for babysitting, dog-walking or cooking perhaps) instead; they'll appreciate it more. Renegotiate policies now for the best deals and spread payments over the year. Good luck!

I do not really understand what a recession is and how it will directly affect me. Is there are such thing as a dummies guide to the recession

One definition of a recession is two consecutive quarters of negative growth. The term is also used to refer to a decline in economic activity that runs for a few months. The decline includes retail sales, employment, industrial output and personal income. To us, a dummies guide to the recession sounds like depressing reading. Why not look instead at how to recession-proof your finances and keep up to date with the financial news in the weekend papers?
A recession can cause job losses, so make sure you have emergency savings (of at least 3 month's salary) to fall back on. It also impacts on the government's budget, which means they may need to raise extra revenue by raising our taxes. And companies are likely to become less profitable which generally impacts on driving down share prices. The credit-crunch means less credit available too. So it's particularly important at this time not to spend more than you earn and to build up some savings.

Is it now a good time to get involved in buying shares? I've never done it before and was thinking it might be a good time. Dollydee

Hi Dollydee,
The market may still be falling but we know for sure that it's a lot cheaper now than it was a year ago. Rather than going straight for shares, you could consider funds that invest in shares. At least that way you're diversifying, i.e. not putting all your money – and hopes - into one share. Your money will be spread between lots of share holdings and also managed for you. Or you could go for a tracker fund, which removes the risk of the fund manager misjudging the markets (they do!). It's always a good idea to drip money into the stock market on a regular basis rather than all in one go. You could split the money available into 12 equal installments. That way you're not buying into the market at the same price and the average price is likely to

be lower.
As Warren Buffet said, it’s better to be approximately right that precisely wrong.

I want to start putting more energy into my life coaching business but haven't addressed a bank with a business plan to get a start up loan yet. What do you suggest?

As a life coach you’ll know the importance of positive action, so we encourage you to direct your energy towards your business plan! It’s the roadmap for your future enterprise and absolutely key to assuring the bank that their money will be well invested. The government’s website for small businesses, www.businesslink.gov.uk is great; it tells you what you should include in your plan and how to present it to your bank. Look at sample business plans on http://www.bplans.co.uk/Sample_Business_Plans/.

I have recently finished university and living on my own (as in not with my parents). I am careful with my money and don't spend too frivolously however I am still new to the world of bill paying and don't know how careful I really should be. I have no idea what I'm supposed to be expecting and what precautions I should be taking! How can I try and prepare myself, I feel so naive! Fiona

Well done Fiona, for thinking about this now.
The earlier you start saving the better off you’ll be in the long run. Try to define what you want from money – to own your own home? to be free of financial worries in the future? – and that will motivate you to keep on track. If you can find a way to start a pension young you’ll be the envy of all your friends when you’ve funded all you need by the age of 45, and they’ve barely started! You’re used to managing on low budget while at university, so don’t fall into the trap of spending more as you earn more. Spend at roughly the same level and save the rest, with some enjoyment spending thrown in of course, and you’ll be looking at a trouble-free future.

I was discharged from bankruptcy in Aug 2006, at the time I was told that although I would pay higher interest rates I would be able to get a mortgage in a couple of years if I wanted / needed to. My boyfriend and I are looking to buy next year, he has a great credit rating, whereas mine is obviously quite bad. Do you think we are likely to get a mortgage? Sam

Dear Sam,
It’s not out of the question but you’ll need help finding a lender who’ll take you on. We suggest you see a mortgage broker and each take with you a copy of your credit report.

I bought a property 1.5 years ago, it is now buy to let but it's likely that I will be in negative equity soon. Any advice about how I can hang onto it through these difficult times?

This is a worry that lots of people are facing. If there's any way you can sit it out, we'd advise you to do so. The UK experienced a similar property crash in the late 1980's. It took about seven years to recover and then prices started to increase significantly over the next ten years or so. You may soon find it's easier to get a tenant, as more people are holding back from buying properties in the current climate.

What are your views on the role of the media in perpetuating/worsening Britain's economic situation? Jessica.

Hi Jessica,
The media just love bad news don't they? We reckon they make things far worse and our advice is to stop reading the papers!