

Ten ways to boost your finances in 2012

Whether you're cutting back or trying to earn more, here are some alternative ways to ease the pressure on your budget.

[Jill Insley](#) and [Mark King](#)



Jill Insley rents out her attic room for four nights through website Wimdu. Photograph: Fen-Yu Jen/So. Studio

During previous ages of austerity, renting out a room has been a mainstay for many families wanting extra cash. So I decided to see just how easy it was by listing my own property on Wimdu.co.uk.

The only part of my house that can be easily rented out is the attic conversion, which comprises a separate bathroom and my bedroom. I spent a whole weekend cleaning and clearing out books and all the personal stuff from surfaces ready for the Wimdu photographer to take pictures. I set up a tray with a kettle, tea, coffee and hot chocolate so my guests could help themselves in the morning without having to parade through the house in their jimjams. I also decided to offer access to my kitchen too, even though the ground floor is open plan, as it seemed mean preventing guests from having access to a fridge and cooker. After looking at other rooms on the site, I set the price at £40 a night all in.

An adviser helped me through the registration process, suggesting what rules other people tend to stipulate (setting check-in and check-out times, no smoking, taking care not to let the cats out of the front door).

Once the photos were taken and uploaded to the net, my listing went live, and the next day I had an email saying someone wanted to book. This was suspiciously quick, so I contacted Wimdu to make sure they weren't sending one of their own staff. But no, they assured me the booking for Tanja from Germany and her Italian partner was genuine.

I have to admit I was nervous. It is weird having complete strangers in your house, even if you are there to keep an eye on things. We tiptoed around, spoke in hushed tones and jumped on the cats every time they yowled.

But I needn't have worried. I saw Tanja and her partner (I'm afraid I didn't catch his name on arrival and never had the chance to ask again) for about five minutes when they arrived on the Thursday night, and for three minutes when they left on Monday morning. The rest of the time they were complete mystery guests. Their shoes left in the hallway were the only clue we had as to whether they were in the house.

The payment – £160 minus Wimdu's £4.80 commission – arrived in my bank account the day after check-in and was a nice fillip before Christmas. It's tax free too – you can earn up to £4,250 without incurring tax through the government's [rent a room scheme](#).

Hosts and guests review each other. I said Tanja was quiet and considerate: she said the cats and I were friendly, the facilities very clean (pewh!) and added: "It was very quiet in the house, so it was possible to sleep long in the morning."

My one criticism of the website is that it doesn't provide you with any details about any prospective guests – the only information you get is what you glean from emailing each other during the booking process.

So would I do it again? You really need a spare room to make this work properly – I don't want to be running up and downstairs with my clothes all the time, or sleeping on the sofa bed forever. But if all paying guests were as fuss-free and considerate as Tanja, then the answer has to be yes. You literally make money while you sleep.

Saving money - Sharing the journey

I experience a brief moment of panic when a UK customs officer at Dover ferry port begins questioning the driver of the Vauxhall Opel that I'm currently crammed into. I've only known the driver for a couple of hours, and I've also never met the other five passengers sharing the seven-seater vehicle that's about to leave the UK for France.



Mark King (pictured right) and his co-travellers share a car-pooling journey from London to Paris.

But there's nothing dodgy going on here: I'm car-sharing all the way from London to Paris, and there's nothing for customs to find in the car save for a bunch of weary teachers, students and a tired, grumpy journalist.

My journey begins at 7am as I take my usual train from Brighton to London, this time swapping St Pancras and the office for Streatham Hill, where I hook up with driver Stéphanie and our other

passengers. Stéphanie, a head teacher, is a long-time user of the hugely popular French car-pooling website Covoiturage, launched by company Comuto in 2006. It unveiled a similar service in Spain, called Comuto, in early-2011 and recently launched as [BlaBlaCar](#) in the UK.

In Europe, car-poolers have driven one billion kilometres on Comuto trips, using the service to book and share car journeys. According to Comuto, the sites collectively have over 1.3 million users and the service is growing by 100,000 users per month, saving drivers more than £100m and over 200,000 tons of CO₂.

"The main reason for me is that it's cheap," Stéphanie explains. "It covers the cost of my travel and allows me to meet lots of interesting people – it's a convivial way to travel."

The website displays hundreds of trips, criss-crossing the UK and mainland Europe though, understandably given the brief amount of time it has been running, there are a tiny number of options available within the UK compared to France at present – and even fewer that cross the channel. Passengers filling free seats share the cost of the trip with the driver.

Users of the website must register as a driver or a passenger in order to enter a journey or book a place on the website, and ratings are given by travellers after they complete their journey – all the people in the car with me believe the rating system means travelling with strangers is safe enough.

Stéphanie has 100% feedback from 20 different people, and it's easy to understand why. She chats to all her passengers, asking intelligent questions about their studies to the students in one moment, then discussing movies the next.

For Stéphanie, who makes regular trips across the channel as a result of her taking a teaching position in France while keeping her home (and family) in London, says it's a fascinating way to commute. "People like the fact that it's an environmentally friendly way to travel, but for me it's the different people I meet. I have had a pregnant woman and her partner in the car, an entire family once and also someone travelling with a dog. It can be a lot of fun."

It's certainly fun, cheap and eco-friendly and I would definitely consider it for hops within the UK, but the specific London to Paris car-pooling service is not one I'd like to experience again myself. We set off from Streatham Hill at about 8.45am and by the time we'd driven to Dover, sat on the two-hour ferry to Dunkirk, negotiated the one-hour time difference and continued on to Paris, it was about 5pm local time. In other words, it had taken all day to get somewhere I could have reached in less than 2.5 hours – and I had to turn around and travel straight back again.

To be fair, few people would be stupid enough to try and drive to Paris and back in one day, and it was always obvious that travelling to Paris by car was going to take longer than any other mode of transport. Also, you can't argue with the price – a place in Stephanie's car cost around £30 (some trips are slightly more, some are a bit less) compared with just over £200 via Eurostar (at the time I checked) and £110 by plane.

It was a great experience but perhaps one best-suited for cash-strapped students, travellers, holidaymakers and anyone else with a small budget and time on their hands. *Mark King*

Lending money

Banks and building societies are offering pitifully low interest rates on savings, but it is possible to earn a reasonable rate on your money if you lend directly to other people through peer-to-peer lending companies such as [Zopa](#), [RateSetter](#) or [Funding Circle](#). We're not suggesting that you become a loan shark: these companies enable you to set the length of time and amount you want to lend and match you up with borrowers who want to borrow on those terms. The interest rates you can earn are higher than those available on savings accounts - people lending for 36 months through RateSetter, for example, will earn 6.4%, while those lending through Zopa can earn up to 10.2% by lending over five years to slightly higher risk borrowers (Zopa says these are still high-quality borrowers, pointing out that it declines 80% of loan applications).

Find out more about the process and check out the [rules and operating principles](#) laid down by the companies' trade body, [the P2P Finance Association](#), on its website <http://www.p2pfinanceassociation.org.uk/>.

Starting a film club

Book clubs are a great way of seeing friends and saving money - you get to spend the evening out, but usually in a club member's home rather than a pub or restaurant. But if you don't want to spend hours reading someone else's book choice, why not try a film club instead? Join a DVD rental firm, and invite everyone round to your house to watch and discuss the film. This could save even more money - instead of having to buy a book each, you just incur the cost of renting one film at about £3.

Going to a 'regifting' party

This involves meeting once a year to dispose of the Christmas present you hate most from your home (saving space) while securing a much better one (saving money) from one of your friends. Tanya Jackson, who holds a regifting party every year with her friends, explains: "You wrap up your present and stick it in a pile with the others, then everyone pulls numbers from a hat to see who chooses a present first, second and so on. The person who pulls out number one selects a gift and unwraps it, then number two can either choose a wrapped gift from the pile or steal the gift selected by number one, and so on until everyone has got a present. It's best to draw the last number, as you can steal any of the presents already unwrapped or go for the last wrapped one."

Last year Jackson regifted a "[Snuggle Wrap](#)" wearable fleece blanket which she describes as "completely hideous: She said: "It was electric blue polyester and crackled when you moved, with a pocket for the TV remote control. I hated it, but the girls at the party loved it. It got stolen twice."

Renting out unused tools

If your lawnmower sits unused for 29 days a month, or you have a travel cot you hardly use, [RentMyItems.com](#) puts you in touch with someone who will pay to borrow it. Some users are listing cars alongside other smaller goods but there are not many items listed yet – in Brighton there are just three things available, including a "very efficient electric carpet liquid cleaner shampooer" going for £20 a day.

Turning your garden into a campsite

A patch of grass can be turned into cash if you are happy to have campers in the back garden. At Campinmygarden.com homeowners are charging about £10-£20 per person per night for camping spaces. In Streatham, south London, for example, one user is offering her garden for £20 a night – and there are even deck chairs provided.

Hiring out your drive

YourParkingSpace.co.uk and ParkatmyHouse.com both enable users to offer drivers their unused driveways or garages. Homeowners with spaces near London stations are offering spaces for upwards of £7.50 a day. Typical is a space in Reading in a private development three minutes walk from the train station, going for £150 a month or £1,200 a year at YourParkingSpace.

Letting out your unused space for storage

Make money out of your unused space by finding people who have stuff to store at Storemates.co.uk. This seems to have limited appeal to homeowners – on the postcodes we searched, the most we came up with were five results, but many postcodes returned nothing. A rival, ShareMyStorage.com, is due to be launched in 2012.

At , users can learn and share professional and hobbyist skills with other members via video, many for free. Skills from marketing and design to guitar-playing and chocolate-making are on offer.

Dressing to impress

Rather than splash out a fortune on a designer party dress, why not hire one from WishWantWear.com – it's still expensive but probably better than maxing out a credit card. A Nicole Miller Waterfall gown worth £405 can be rented for four days for £47. Or a £3,375 Chanel handbag can be rented for four days for £150.