

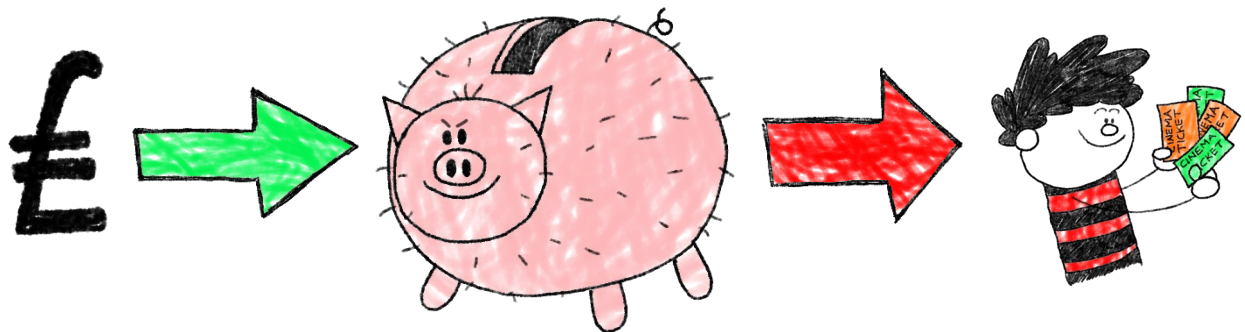
Task - Test your budgeting skills

Challenge

Budgeting is planning how you are going to spend your money and how much you are going to save.

Saving money is really important if you want to buy something that costs more than your income each month.

Income is the money you receive and expenditure is what you spend.



It is important to know what you **NEED** to spend money on and what you **WANT** to spend money on:

Needs are essential things like food, electricity and clothes.

Wants are things that you don't need to survive such as video games, sweets and holidays.



Dennis got **£100** for Christmas.

He wants to spend £20 on apps,
£10 on sweets,
£30 on new clothes and
£10 on more data for his phone.

**How much money
does he have left?**

Add up the total expenses:

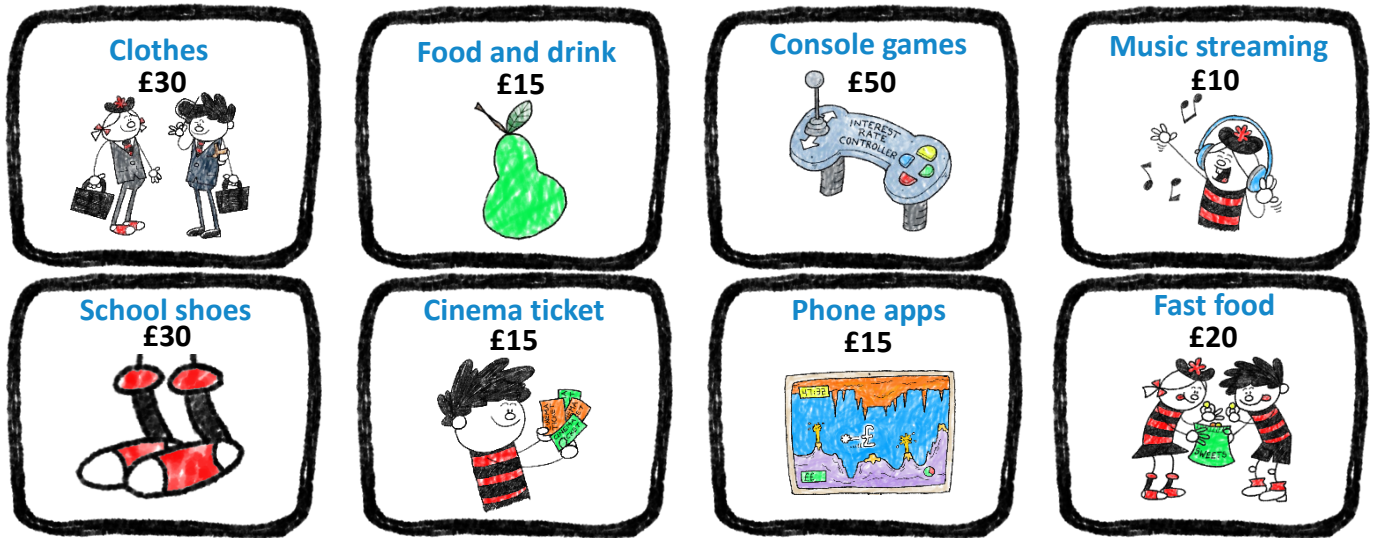
$$20 + 10 + 30 + 10 \\ = 70$$

Then subtract that from
the total income.

$$100 - 70 = 30$$

So, Dennis has **£30** left.

Task 1 - Test your budgeting skills



1) Minnie was given £200 for her birthday. On her wish list are the 8 things above.

- Discuss with the people on your table which of the expenses are **NEEDS** and which are **WANTS**. **Circle** those that you think are **NEEDS**.
- Add up the total cost of the clothes, food and drink and school shoes.

Let's get started

$$£30 + £15 + £30 = £ \underline{\hspace{2cm}}$$

- How much money will Minnie have left?

$$£200 - £ \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$



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2) Dennis just got his first job, earning **£60 a month** doing a paper round.

He wants to save some money to buy a new phone and has made a table of expenses per month to help him budget.

Dennis wants to save **half** of the money he has left after he has paid for the things he has budgeted for. When he has worked out how much he can save, he will put this in his savings at the beginning of every month.



Expenses	Amount
Music streaming	£10
New clothes	£20
New apps	£5
Guitar lessons	£10
Total	£

What are Dennis's total expenses?

$$£10 + £20 + £______ + £______ = £______$$

How much does he have left?

$$£60 - £______ = £______$$

How much can he save?

$$\frac{1}{2} \text{ of } £______ = £______$$

How much money will he **save** each month?

3) Minnie wants to save £10 a month. At the end of last month she only had £5 of her money left. She knows she needs to spend less money on things she wants in order to save.

If she only pays for what she **needs**, next month will she have enough money left to save £10? If so, how much will she have left to spend on her **wants**?



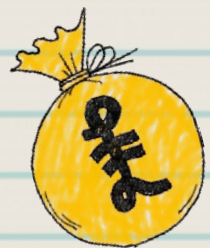
Her NEEDS will be food and bus tickets.

What is her total spend on these?

How much money will she have left after spending money on her NEEDS?

Does she have more than £10 left? If so, how much will she have left to spend on her WANTS after she has saved £10?

Income	£60
Expenses:	
Food	£20
Cinema	£10
Fast food	£10
Sweets	£5
Bus tickets	£10



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4) Sidney, Wilfrid and Smiffy are school friends who all live in the Bash Street Flats.

They are comparing their **monthly** budgets for their **needs** and **wants**. They include savings in their **needs**.

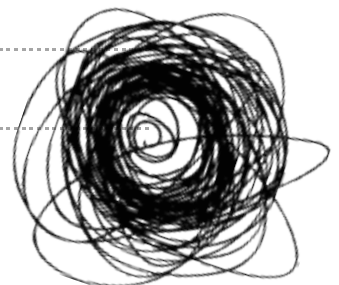
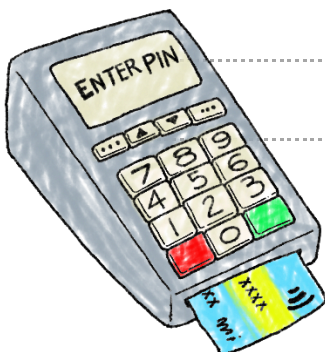
Income: £50 Sidney	Income: £60 Wilfrid	Income: £40 Smiffy
<p>Saves: $\frac{1}{4}$ of what is left after budgeting for the following:</p> <p>Fast food £10 Toys £5 New clothes £10, Phone apps £5</p> 	<p>Saves: $\frac{1}{2}$ of what is left after budgeting for the following:</p> <p>Football club £5 New clothes £15 Sweets £5 Hair products £10</p> 	<p>Saves: $\frac{1}{3}$ of what is left after budgeting for the following:</p> <p>Drum lessons £10 Fast food £15</p> 

How much does each person spend **per month**?

How much money will each of them have saved after a month?

How much money will each of them have saved after a year?

Who will have saved the most?





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Worksheet answers

- 1) a) Clothes, food and drink, school shoes.
b) $£30 + £15 + £30 = £75$
c) $£200 - £75 = £125$



- 2) $£10 + £20 + £5 + £10 = £45$
 $£60 - £45 = £15$
 $£15 \div 2 = £7.50$



- 3) Needs: Food (£20), bus tickets (£10)
 $£20 + £10 = £30$
Income – Needs
 $£60 - £30 = £30$
Money left - £10
 $£30 - £10 = £20$



Minnie will have £20 left to spend on her wants.

- 4) Wilfrid will save the most in a year.

	Sidney	Wilfrid	Smiffy
Total expenses	$£10 + £5 + £10 = £25$	$£5 + £15 + £5 + £10 = £35$	$£10 + £15 = £25$
Money left	$£50 - £25 = £25$	$£60 - £35 = £25$	$£40 - £25 = £15$
Savings per month	$\frac{1}{4}$ of £20 = £5	$\frac{1}{2}$ of £25 = £12.50	$\frac{1}{3}$ of £15 = £5
Savings in a year	$£5 \times 12 = £60$	$£12.50 \times 12 = £150$	$£5 \times 12 = £60$

