

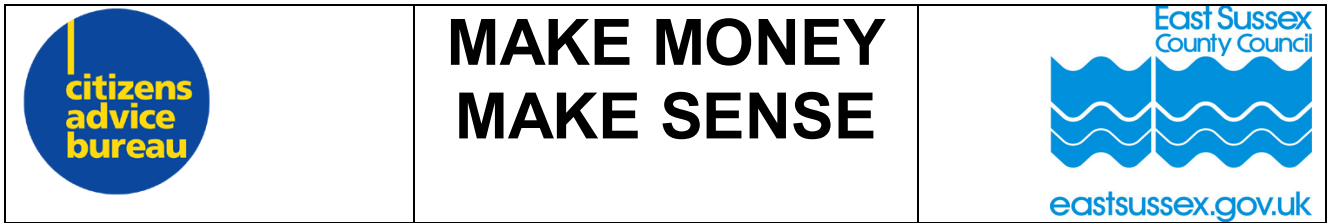


MAKE MONEY MAKE SENSE



Budgeting Activity

Teaching aims of the session	Possible teaching activity	Learning outcomes
<p>To recap on the concept of budgeting and money management.</p> <p>To explain how to budget and explain how much things cost.</p> <p>To explain to students the importance of money management and the possible consequences if money is not managed properly.</p>	<p>Suggested activities</p> <p>Debt case study</p> <p>Activity 1 (see below) How much does it cost? This exercise is designed to give students an idea of how much things actually cost and the possible variations in price and quality. This activity is intended as homework because the sources of information are mostly outside the school. This can hopefully lead to discussion of costs with friends and family members. The students report back their findings in an open discussion, show evidence and compare results. They can also discuss what they think are acceptable costs for various items.</p> <p>Activity 2 (see below) Use the examples in the activity to complete an income and expenditure sheet and work out the person's disposable income. You can use either the income and expenditure calculation sheet or a spreadsheet. <i>Brainstorm, class work, pair work or home work</i></p> <p>Suggested handouts Use the list of possible expenditure Tips for budgeting</p> <p>Budgeting quiz</p>	<p>Students will be able to identify all of the different expenditures that may need to be incurred.</p> <p>Students will understand the difference between essential spending and non-essential spending.</p> <p>Students will understand the importance of budgeting and the potential consequences of not.</p>



Budgeting Activity 1

How much does it cost.....?

This exercise is designed to give students an idea of how much things actually cost and the possible variations in price and quality.

It is intended as homework because the sources of information are mostly outside the school. This can hopefully lead to discussion of costs with friends and family members. The students report back their findings in an open discussion, show evidence and compare results. They can also discuss what they think are acceptable costs for various items.

A list of goods and services is attached and the idea is for the students to research the subjects and find the answers to each point. They also need to provide evidence to support their find. To most of the questions there are numerous possible answers – as long as they have some source of evidence to support their find.

This should also highlight the difference in prices which students find for the same items and this can be used as source of discussion. What influences people's choices of spending when faced with varying prices?

Possible sources of information include:

- The internet
- Local newspapers and publications
- Friends and family
- Personal experience
- Catalogues
- Visits to local shops

Some items are set quantities and recommended sources of information are given.

Council Tax

http://www.eastbourne.gov.uk/your_home/council_tax/how_much.asp

Car tax

<http://www.dvla.gov.uk/vehicles/taxation.htm>

MOT

<http://www.vosa.gov.uk/vosa/cargvowners/mottesting/mottestfees.htm>



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How much do things cost?

Housing

- 1 rent
- 2 mortgage
- 3 council tax
- 4 insurance – buildings or contents
- 5 water and sewerage rates
- 6 electricity
- 7 gas
- 8 phone

Food – for each item decide how many people

- 1 weekly shopping
- 2 a take away meal
- 3 a restaurant meal
- 4 a round of drinks

Cars

- 1 Car tax – annual amount
- 2 Petrol – weekly
- 3 Insurance – annual amount
- 4 M.O.T.
- 5 Repairs
- 6 Servicing
- 7 Parking

Travel

- 1 Bus fare
- 2 Taxi
- 3 Train ticket

Entertainment

- 1 Concert tickets
- 2 Tickets for a play
- 3 Cinema tickets
- 4 A CD - album
- 5 A DVD
- 6 A video game
- 7 A night out with friends

Household goods

- 1 A TV and DVD player
- 2 A Hi-fi music system
- 3 A 3 piece suite
- 4 A dining table and chairs
- 5 A bed



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Budgeting Activity 2

Budgeting case studies

For each of the following examples complete an income and expenditure sheet and work out the person's disposable income. You can use either the income and expenditure calculation sheet or spreadsheet.

1 A single man living alone in a rented flat. He works 37 hours a week and earns £900 a month. His monthly expenses are:

Rent £200	Prescriptions £20
Council Tax £100	Clothes £30
Water rates £10	TV License £10
Sewerage Rates £10	Travel £50
Food / Household items £170	Telephone £40
Electricity £ 20	Newspapers £10
Gas £20	

2 A husband and wife and two children under 16. He lost his job through ill health and his wife looks after him and the children. They receive £598 Income Support, £564 Child Tax Credit and £164 Child Benefit each month. Rent and Council Tax are paid by benefits. They have the following monthly expenses:

Water rates £15	Pets £25
Sewerage £11	TV License £10
Food / Household items £785	Travel £ 75
Electricity £60	Car Insurance £15
Gas £60	Breakdown Cover £10
Home Insurance £15	Car Tax £15
Health costs £30	Telephone £30
Clothes £130	Newspapers £10
	Nappies £30

3 A single man lives with his son and was recently made redundant. He is receiving job Seeker's Allowance of £240 a month. His monthly expenses are:

Rent £120
Food/Household £50
Health £5
Clothes £5
Travel £30
Telephone £20
Newspapers £10



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Budgeting case studies (continued)

4 A single woman earning £1040 per month. Expenses:

Rent £433.33

Food/ Household £45

Prescriptions £10

Clothes £20

Travel £150

Car Insurance £34.66

Car Tax £9.58

Telephone £20

Newspapers £7.50

Hire Purchase (Car) £ 171.87