

# MONEY MONEY MONEY

## THE KEY WORDS -

A BUDGET - A set amount of money you use to spend only the money that you have got

DEBT - To spend more money than you have got

What kinds of things would you have to pay for in a flat or a house?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

Why is it a good idea to save money in a bank account each month? \_\_\_\_\_  
\_\_\_\_\_

What kinds of extra expenses might there be? How would you pay for them?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_



What if something happened you were not expecting? How would you pay for that?

What happens if you spend more money than you have?

Think about how can you save money?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

What stresses can being in debt have?



# MONEY



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## EXAMPLE BUDGET -

### NORMAL EXPENSES

- You get paid £800 each month (after tax is taken out).
- You have to pay £250 a month for your flat
- Your gas, electricity, water and council tax is £150 a month
- You pay 8% of your money each month into pension savings (£64)
- Your monthly food bill is around £120
- Your monthly fuel bill for your car is £80
- Your telephone bill is £50 each month, including the internet

### EXTRA KINDS OF EXPENSES SOME PEOPLE HAVE (examples)

- You have to pay for your TV licence - £126.50 a year
- Your car insurance is £400 each year
- Your basic buildings & home insurance is £250 each year
- Your car tax is £160 a year
- Yearly MOT on a car is £40 at least.
- Yearly average car cost (on top of fuel) - up to £250

NOW - Work out YOUR budget with the money YOU get:

a. MONEY YOU GET EACH MONTH \_ \_ \_ \_ \_

b. MONEY YOU SPEND EACH MONTH - ESSENTIALS

\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_  
\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_  
\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_  
\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_

c. MONEY YOU SPEND EACH YEAR - EXTRA

\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_  
\_ \_ \_ \_ \_                      \_ \_ \_ \_ \_

TO WORK OUT YOUR MONTHLY BUDGET =  $a - (b + (c \div 12))$

eg.     if  $a = £800$ ,  $b = £684$  and  $c = £1440$   
           $c$  divided by 12 = £120.  
           $b + c = £260$   
           $a = £800$   
           $£800 - £684 = \underline{\underline{£116 \text{ a month left over (£29 each week)}}$

### WAYS TO CUT UR EXPENSES

1. Get what you need, not what you want
2. Don't get anything unless you've got the money to pay for it
3. Buy supermarket brand food, they're often the same as other brands but with different packets
4. Don't have /use car unless need to, If you need transport, get a bicycle or moped
5. Walk to places instead of using a car or bus
6. Have heating on less
7. Don't get expensive items
8. Do write down all you buy and keep the receipts safely
9. Do save some money each month for emergencies
10. Shop around before you buy something, don't always pay the price you see. Often the internet is cheaper.
11. Think before you buy.
12. Can you cut down on something - don't have that daily coffee out, quit smoking
13. Don't buy microwave meals or eat out, it's much cheaper to get stuff from the grocery store and cook your own meals, there are loads of books on cooking on a budget. Buy / cook in bulk.
14. Have a bank account or building society account. Keep money in it, regularly put money in. Get an ISA.