



Friday Fundamental Skills Lessons

Metacognition & Self-Regulation



Careers



Financial Education



Finance

Introduction to budgeting

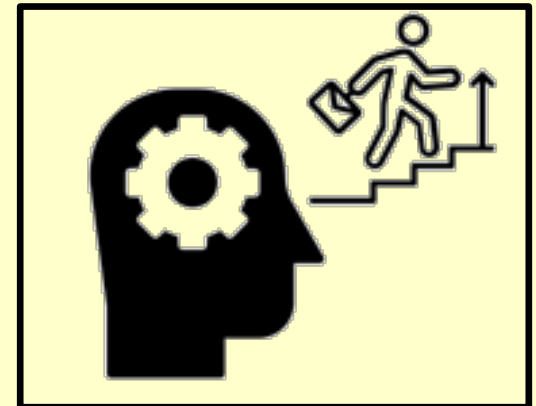


Do Now:

What is the median average salary in the UK? (best estimate)...

What is the average rent price in the UK? (best estimate)...

Think hard: What proportion of your salary do you think you should spend on rent?





Answers:

What is the median average salary in the UK? (best estimate)...

£35,000

What is the average rent price in the UK?

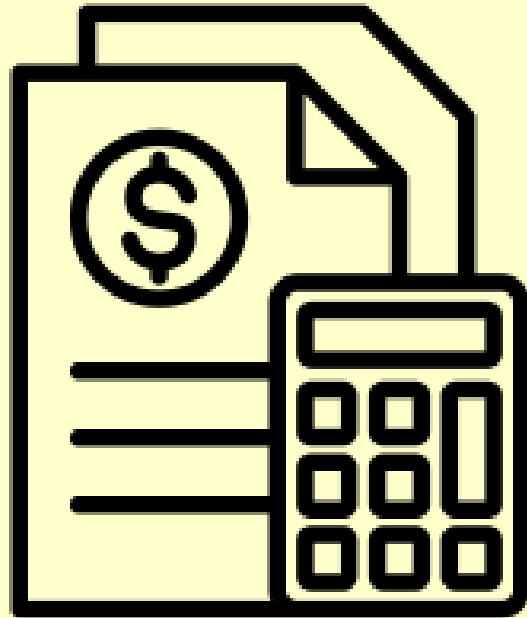
£1279

Think hard: What proportion of your salary do you think you should spend on rent?

This is personal choice, but money saving expert recommends 30%

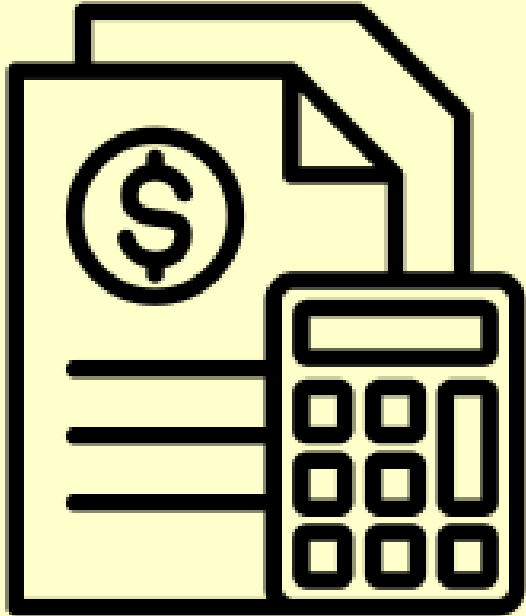
Key Term: Budget

A
financial
plan



Planning
incoming and
outgoing
money to work
out what can
and cannot be
afforded

Key Term: Budget



A budget is...

More specifically...

Budgeting

Watch the video and prepare to answer questions

INCOMING		OUTGOING	
Wages	£2000	Gas	£100
Rent	£1000	Electricity	£100
Interest	£200	Water	£100
		Food	£100
		Transport	£100
		Insurance	£100
		Phone	£100
		Shopping	£100
		Travel	£100
		Entertainment	£100
		Charity	£100
		Gifts	£100
		Other	£100
TOTAL:	£3200	TOTAL:	£1000



Write it down (notes/OneNote document)...

How many 20–29 year olds in the UK ended up overdrawn on their bank accounts in 2011?

What is the biggest mistake people make with budgeting?

Katherine's outgoings were split into which two categories?

From which did she make savings?



Write it down (notes/OneNote document)...

How many 20–29 year olds in the UK ended up overdrawn on their bank accounts in 2011? **Nearly Half.**

What is the biggest mistake people make with budgeting? **Not doing one.**

Katherine's outgoings were split into which two categories? **Essential and non-essential (or wants and needs).**

From which did she make savings? **Non-essential (wants).**

Budgeting

Decide your priorities to create a budget

You are 21 years old and earn £1400 a month after tax and other deductions. Decide how you would spend that money.

Housing (inc bills)

Live at home with parents: £300 p/m

House share with friends: £600 p/m

Own flat: £900 p/m

Regular costs (per month)

Latest iPhone: £80

Second hand android £15

Car lease: £300

Bus pass: £80

Eating out (cost includes groceries):

12 times: £680

4 times: £360

Never: £200

Designer clothes: £300

Other clothes: £100

Gym subscription: £20

Netflix: £10

Spotify: £10

How much can you save?