

Lesson 6

How to Budget



Why is money management important ?



**To be able
to afford
expensive
items.**

**To avoid
Debt**

**For
Quality of
life**



Budgets

A budget helps create financial stability. By tracking expenses and following a plan, a budget makes it easier to pay bills on time, build an emergency fund, and save for major expenses such as a car or home. Overall, a budget puts a person on stronger financial footing for both the day-to-day and the long term.

Budgets

If you want to plan a budget to save for a holiday or to buy a new phone (or something else expensive).

What do you need to know ?

Income

Expenditure

What information do you need to create a budget ?

Think about your Income



Pocket Money



A wage / salary from a job.



Birthday / Christmas gifts
(but can these be guaranteed).

What information do you need to create a budget ?

Think about your Expenditure



Bills – Bus fare, mobile bill.



Weekly purchases - Food.



Going out & socialising.


What might a budget look like ?

Recorded income and its source:

Budget planned out for each expense.

A record kept of how much was actually spent on each item.

A summary to show Income – Expenses
And any left over money.....


 **MONTHLY BUDGET**

MONTH: _____

INCOME (SKRATCH EARNINGS): _____

INCOME (OTHER): _____

TOTAL INCOME: _____

EXPENSES	BUDGET	SPENT	DIFFERENCE
SAVINGS			
Car	\$	\$	\$
College	\$	\$	\$
FOOD			
Eating out	\$	\$	\$
Groceries	\$	\$	\$
TRANSPORTATION			
Gas	\$	\$	\$
Car Payments	\$	\$	\$
ENTERTAINMENT			
Hobbies	\$	\$	\$
Event tickets	\$	\$	\$
PERSONAL			
Gifts	\$	\$	\$
Phone	\$	\$	\$
Clothes / shoes	\$	\$	\$
Miscellaneous	\$	\$	\$
CHARITY			
Donations	\$	\$	\$
 - EXPENSES: _____ = _____			







Budgets

The government have a website that allows a household to budget in order to help people manage their money:

<https://www.moneyhelper.org.uk/en/everyday-money/budgeting/use-our-budget-planner.html>

Money Management

Think about what we have looked at over the past 6 weeks.

-  1) Money Management
-  2) Opening a Savings Account
-  3) Credit Debit and Store Cards
-  4) How do I get paid
-  5) Tax and National Insurance Deductions
-  6) How and Why Budget

- Do you understand all the lessons that we have gone through?
- Do you have any questions based on any of the lessons we have done?
- Are there any topics based around finance that we have not covered that you would like to see?

- Email nevans@eccoschool.com with any further questions.

