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 but a new phone (or something else expensive).

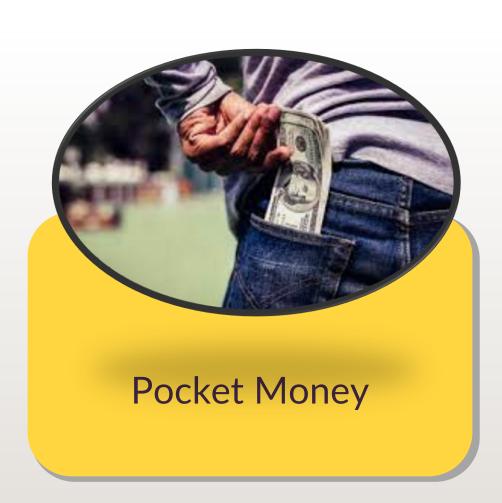
What do you need to know?

Income

Expenditure

# What information do you need to create a budget?

Think about your Income







# What information do you need to create a budget?

Think about your Expenditure



Bills – Bus fare, mobile bill.





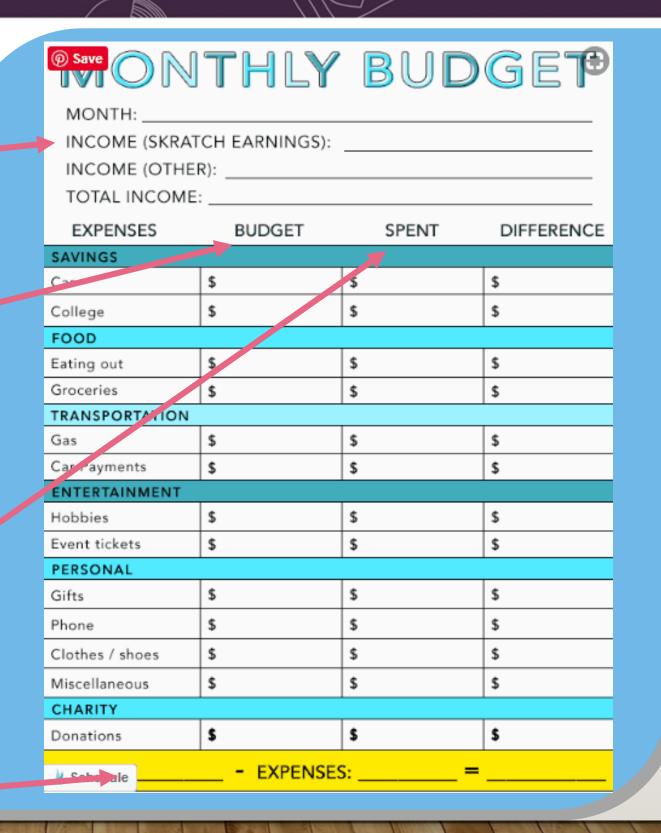
# What might a budget look like?

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.....



# **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
- (2) 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 <a href="mailto:nevans@eccoschool.com">nevans@eccoschool.com</a> with any further questions.