

How do I plan a simple budget?

Presentation



Create a mind map to show your understanding of these terms:



Meet the Williams family

Mrs Williams works as an office manager and travels to work on the train.

Mr Williams has his own business as an electrician.

Their son, **Liam**, has football lessons each week and their daughter, **Georgia**, learns karate. The family have two pets – a cat and a dog.

They enjoy doing fun things together as a family.

BUT... they want to make sure that they're not spending more money than they earn each month.

How could they do this?






What is a budget?

Financial documents – payslip

Many people who are employed in a job get a payslip each month.

This shows how much they have earned, as well as what they've paid in National Insurance and tax.

Employer's Name: Business Is Us		Employee Number: 31		Employee Name: Janis Williams	
Pay Method: Electronic		Account no: 876543210		Sort Code: 110011	
Tax Period: 6		Tax Code: 1060L		NI Number: BB001122E	
				From: 09.2016	
THIS PERIOD				 Janis Williams 25 Apple Grove Ashford A11 6QX	
Gross Monthly Pay:		£1600.00			
THIS PERIOD					
National Insurance:		£111.40			
Income Tax:		£127.07			
Student Loan:		£48.00		NET PAY	
Total Deductions:		£286.47		£1313.53	



Financial documents – bank statement

If you have a bank account, you might get a bank statement each month to show all the money going in and coming out of your account. This could be sent by post or shown online.

BANK STATEMENT				Account holder Peter Smith Branch Sort Code 60-00-00 Account Number 30000000	
Date	Details		Withdrawn	Paid in	Balance
23 Jul	Brought forward				120.20
30 Jul	automated credit	Salary		1,500.00	1,620.20
3 Aug	cash withdrawal	Bank A	50.00		1,570.20
6 Aug	direct debit	Gas and Power Co	130.00		1,440.20
	card transaction	The Toy Shop	40.00		1,400.20
8 Aug	cash withdrawal	Bank B	40.00		1,360.20
	card transaction	Supermarket	56.78		1,303.42
10 Aug	card transaction	Petrol	33.00		1,270.42
12 Aug	standing order	Children's Charity	5.00		1,265.42
15 Aug	card transaction	Bookshop	25.00		1,240.42
17 Aug	cash withdrawal	Bank C	150.00		1,090.42
	direct debit	Car Insurance	55.00		1,035.42
	direct debit	Mortgage	500.00		535.42
	Carried forward				

Financial documents – shopping receipt

When you buy something in a shop, you usually get a receipt showing **what you've bought** and **how much it cost**.



Financial documents – bill

Bills are sent when people owe money to a company.

This is a utility bill, which is sent by the energy company supplying gas and electricity to a home. It shows **how much money must be paid**.



ENERGY IS US

Account number: 87654/3
Bill date: 2 October

Mr Fred Williams
25 Apple Grove
Ashford
A11 6QX

Your gas and electricity bill
For 1 September to 1 October
Please pay £95.55 to reach us by 16 October

Electricity units used:	78
Charge:	£39.00
Gas units used:	26
Charge:	£52.00
Subtotal	£91.00
VAT @ 5%	£4.55
Total charges for this period	£95.55

Name: _____

MoneySense
Making sense of money

Bank statements Activity sheet

Instructions: Use this bank statement to answer the questions below.



BANK STATEMENT

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Branch Sort Code 60-00-00
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- 1) Which bank statement belong to?
.....
- 2) What was the opening balance in the account?
.....
- 3) How much money was paid into the account during the period covered by the statement?
.....
- 4) What was the largest withdrawal from the account and when was this taken out?
.....
- 5) How much money was donated to the Children's Charity?
.....
- 6) What was the total amount paid out by direct debits?
.....
- 7) How much money was withdrawn in cash?
.....
- 8) What is the difference between the opening balance and the balance carried forward?
.....


'Bank statements' activity sheet




‘Creating a budget’ interactive activity

Why is it important to keep track of spending and saving?


So you can ensure:



You don't go overdrawn and get into debt



You can see what you overspend on and shop around for better deals



You have a record of what you have spent