Planning how to spend money

Age range: 7-11

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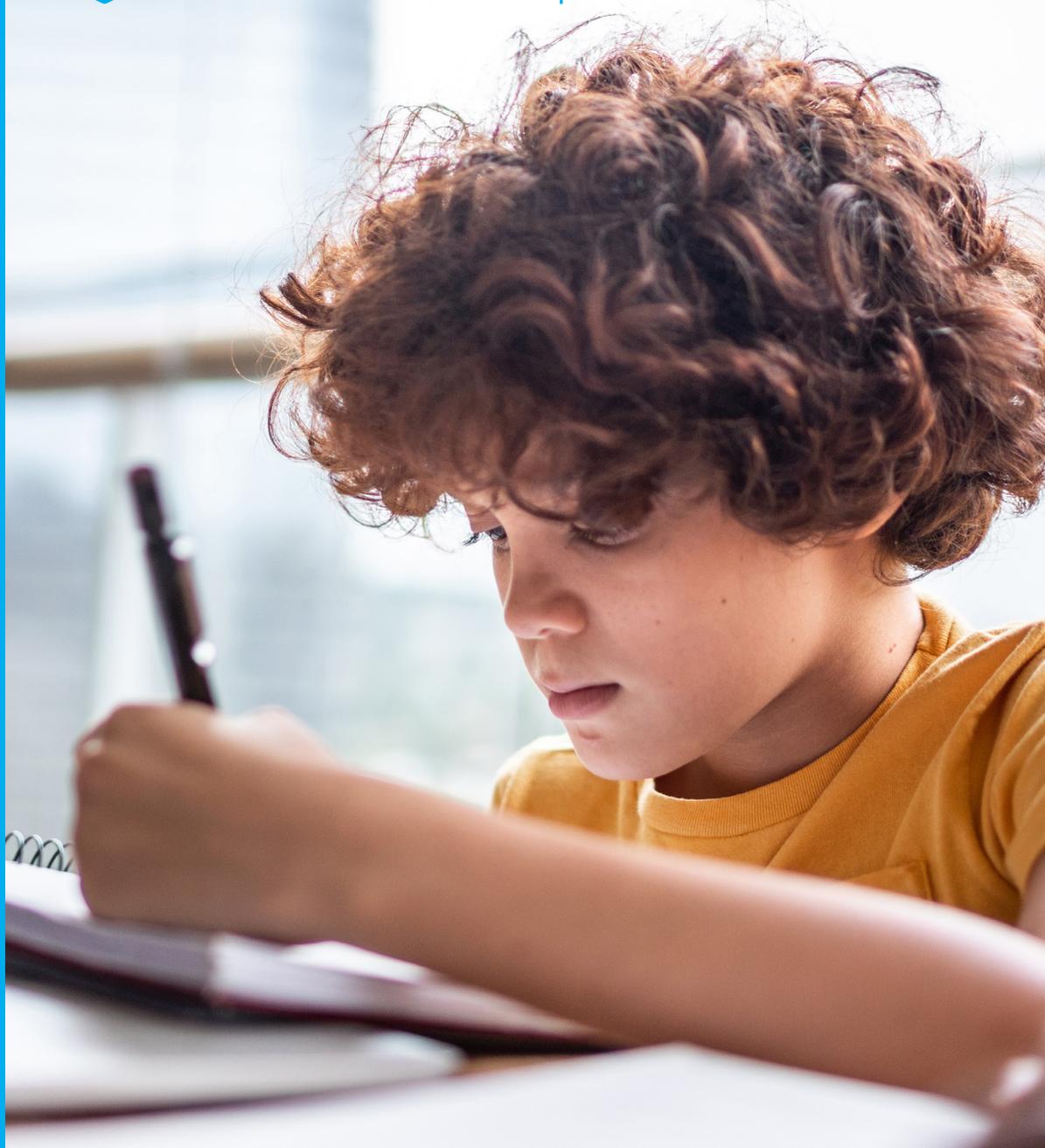
Session overview

Time	Key learning outcomes	Resources
15 mins	By the end of the activity pupils will be able to: • Practise being responsible for managing their own money. • Know how to keep track of their money, and set and stick to a budget.	• Planning how to spend money presentation slides. • Planning how to spend money pupil worksheet.

This is one of a suite of lesson plans, each designed to build upon teaching pupils how to form good money habits for the long term.

The activities in this session can be used flexibly, as a standalone lesson or delivered as part of a series. We recommend starting with **Samir's birthday budget challenge**, as this sets the scene and helps young people relate back when carrying out the subsequent activities, which can be delivered in any order.

There is a range of topics covered including value of money, making purchases and keeping money safe. All the sessions align to the **Financial Education Planning Framework**.

Contents

Activities	Time	Page
Activity one: Basics of budgeting	15 mins	3

There is Money Skills content to suit a range of ages and abilities – take a look at our 5-11, 11-14, 14-16, 16-19 and 19+ resources, which focus on topics such as attitudes to money, money management and risk, and financial independence.

Activity one

Basics of budgeting

1. Build Nia's birthday budget
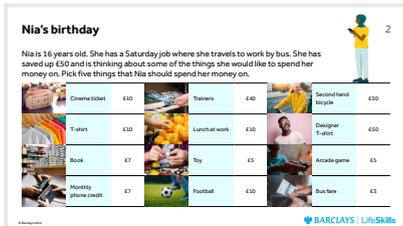
This activity can be completed by showing the budget and items on the presentation slides and worksheets. You could work through the options as a class or ask pupils to work in small groups. There are three tables for you to choose from, depending on how you would like to deliver this activity. **Slide 2** provides a list of items and costs which are all round numbers, **slide 4** provides a list of items and prices which all include decimal points for further challenge, and **slide 5** offers a blank template where you can enter your own values for the overall budget and item costs. There is a worksheet for each of the tables.

Before beginning this activity, ask pupils the following questions.

Ask the class to think about the terms – spend, save and donate – do they know the difference?

Does anyone know what a budget is?

Explain that a budget is a plan of how someone will spend their money. It should include all the ways money will be received or spent.

2. Practise budgeting

Now read out the information on either **slide 2** or **4**, depending on what is best suited for your pupils. Alternatively, fill in your own values on **slide 5** and share this version with your pupils. The information from **slide 2** is in the table below.

Nia is 16 years old. She has a Saturday job where she travels to work by bus. She has saved up £50 and is thinking about some of the things she would like to spend her money on. Pick five things that Nia should spend her money on.

Cinema ticket	£10	Trainers	£40	Second hand bicycle	£50
T-shirt	£10	Lunch at work	£10	Designer T-shirt	£50
Book	£7	Toy	£5	Arcade game	£5
Monthly phone credit	£7	A football	£10	Bus fare	£3

Pupils should select five items from the list and consider the following questions. You can use all of them, or pick the ones most relevant for your group, the main point is to open up a conversation around needs and wants. Some things you could highlight to support this is travelling to work, could the bike be used instead of a bus fare, clothes may be a need but not designer, phone credit could be both a need and want. Could any items be sourced second hand?

Activity one

Basics of budgeting (cont'd)

Are these items things she wants or things she needs?

If she buys all of these items, how much will Nia spend? (£207 or £211)

If Nia has money left over, what could she do with it?

Could Nia buy different items and have more money left over?

If she has spent too much, how could she make sure this doesn't happen next time?

What are the benefits of using a budget to plan your spending and bank balance?

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3. Calculating Nia's budget

Making a budget 3

Add your five items and the cost for each. Calculate the total Nia will have spent and work out what is left over from the £50.

Item	Cost
Total	
Remaining balance	

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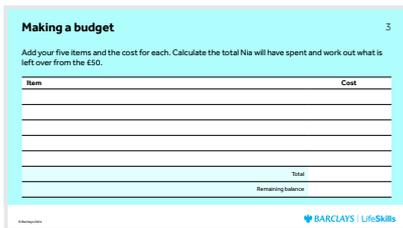
Using **slide 3** and the worksheet with the round costs or the decimal costs, pupils can calculate how much Nia spends and how much she has left over, or create their own budget. If you have chosen to add your own values to the blank template, you can use **slide 6** and the relevant worksheet. Encourage pupils to use their mental maths skills when working out the budget. Younger pupils or those less familiar with financial literacy can be given calculators to make the task less challenging, giving guidance to the whole class on how to work out the answers.

Which of these would they recommend Nia buys with her money?

How could Nia increase her budget?

Activity summary

Ask pupils to discuss in pairs or small groups some key things that they have learnt from the session, e.g. are there any new skills that they have learnt or things they now know which they didn't know at the start of the lesson.