

Getting to Grips with Money

Activity Sheet

Budgeting for a family

Discuss what may be the main changes in income and expenditure as a result of the changing stages of a family.

Note down the key points from your discussion

Look at the information on Josie and Ashok's income and expenditure and identify what calculations you will need to use to work out their budget.

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Now work out their budget before having a family.

Ashok earns £850 per month.

Josie works part-time and brings in £360 per month.

- The rent for their one bedroom flat is £230 per month
- Council Tax is £475 per year
- Gas costs £28 per month
- Electricity costs £15 per month
- Water rates are £220 per year
- House insurance is £150 per year
- TV licence, internet, DVD rentals £300 per year
- Food and drink £55 per week
- Their mobile phones cost them £35 per month in total
- Holidays £700 per year
- Clothes £800 per year

Fill in the budget spread sheet to identify if they are living within their budget. Do they have any money to spare?

Description of outgoings	Amount
Total outgoings	

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Now work out their expected budget after having a baby.

They are expecting a baby soon and they want to move into a bigger flat.

If they move to the new flat and Josie gives up her job for a year, work out what their outgoings will be.

Ashok will be earning £935 per month, after deductions.

- Rent for a two bedroom flat will be £280 per month
- Council Tax will be £575 per year
- Gas costs £34 per month
- Electricity £15 per month
- Water rates £230 per year
- House insurance £150 per year
- TV licence, internet, DVD rentals - £300 per year
- Food and drink £65 per week
- Their mobile phones cost them £35 per month
- Holidays - £700 per year
- Clothes - £800 per year
- Baby equipment and clothes etc £500
- Disposable nappies and other expenses for baby £420 per year

Fill in a new spread sheet to identify if they will be living within their budget.

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Total outgoings	

Will they be able to afford the new flat?

Will they be living within their income?

What would you cut down on?

What could they do to make ends meet?