

Introduction

Budgeting is an effective way to help manage your money; by understanding your income and balancing it with your outgoings, you can start to make the most of your money. Now is a great time to start saving money and develop the know-how and understanding to manage money correctly.

Use these worksheets to understand how to create a budget that tracks your incomings and outgoings and identify your own spending and saving habits. You can type your answers into the boxes.

Worksheet one: What is a budget and who is it for?

A budget is a plan of how someone spends money, taking all their incoming and outgoing payments into consideration. An effective budget should include all the ways money may be spent or received, however small, and cover a set period – usually a week or month.

What do you think can be challenging about sticking to a budget?

What examples of income (money you receive) and expenditure (money you spend) do you already have?

Worksheet two: Budgeting case studies – Chris

Now you've got an understanding on what budgeting is and why it's important, it's time to have a go at creating a budget yourself, using different real-world scenarios.

Case study 1: Read through Chris's case study.



Chris is 14, has a paper round six days a week and gets paid £6 a day. Chris also helps a lot at home and so gets a weekly £10 allowance. Chris has a mobile phone on a contract that works out at £5 per week. Chris spends £7 a week on drinks and snacks, and is keen on online gaming, spending £9.

Chris also likes to go out with friends and will spend £20 a week on the cinema or bowling. Chris likes to update his clothes regularly, which averages at about £8 per week. Chris cannot seem to save much – and this week he also borrowed £3 from his mum.

Fill in the table to create a weekly budget for Chris and work out how much he saves each week.

Income	Allowance	
	Part-time job	
	Total income	
Expenditure	Drinks and snacks	
	Mobile phone	
	Clothes	
	Owe mum money	
	Going out with friends	
	Online gaming	
	Total expenditure	
Balance		
Savings		

Worksheet two: Budgeting case studies – Ahmed

If you're feeling confident, move on to looking at this more advanced scenario.

Case study 2: Read through Ahmed's case study.



Ahmed lives in a village near Derby and enjoys spending time outside playing sports. He wants a career that keeps him fit and active so he has applied for a sports coaching apprenticeship.

He wants to start getting experience of the workplace straight away, as well as earning a salary. The role will be based at a school in Derby during term time and at a sports centre in the school holidays. He will live at home and pay his mum rent, and he will need to drive to work each day so will have to budget for petrol and other car costs including insurance.

He enjoys going to the cinema with his friends and plays in a football team at the weekend. He can get an apprenticeship discount card which will get him money off at the cinema and restaurants. Ahmed knows he will have to monitor his budget closely to make sure he can pay his bills and still enjoy socialising with his friends.

Using the below spending guide, fill out the budgeting template to create a budget for Ahmed. Note that not everything on the spending guide will apply to Ahmed.

Halls of residence	Living at home – rent	Phone contract	Music equipment	Food shopping	Gym membership	Socialising
£4184 per year	£80 per month	£25 per month	£50	£40 per week	£30 per month	£30 per week
Kitchen equipment	Football team membership	Flights	Discounted cinema ticket	Savings from Saturday job	Laptop	Books for studying
£20	£5 per week	£40 (one way)	£6 per visit	£400	£600	£200
Apprenticeship salary	Snacks and drinks	Maintenance loan living away from home (England)	TV license	Wages from part-time work	Car costs (petrol, insurance)	
£5850 per year net	£20 per week	£8430 per year	£150.50 per year	£30 per week	£100 per month	

Note: amounts are for demonstration purposes only and may vary. For up to date information on student tuition fee and maintenance loans visit [gov.uk/student-finance/new-fulltime-students](https://www.gov.uk/student-finance/new-fulltime-students)

Worksheet two: Budgeting case studies – Ahmed cont.

	Weekly	Monthly	Yearly
Income e.g. job or student loan	Convert from yearly (divide by 52 weeks)	Convert from yearly (divide by 12 months)	
(1) Total income	£	£	£

Expenditure	Weekly	Monthly	Yearly
Living costs (regular) e.g. accommodation, food, bills and clothes			
(2) Sub total	£	£	£

Worksheet two: Budgeting case studies – Ahmed cont.

Expenditure cont'd	Weekly	Monthly	Yearly
One off costs e.g. laptop			
(3) Sub total	£	£	£
Travel e.g. car, train			
(4) Sub total	£	£	£
Leisure e.g. cinema, gym			
(5) Sub total	£	£	£

	Weekly	Monthly	Yearly
Income (1)			
Living costs (2)			
One off costs (3)			
Travel (4)			
Leisure (5)			
Total expenditure (2+3+4+5) = 6	£	£	£
Balance (1) – (6)			

If (6) is greater than (1), you need to think of ways to increase Ahmed's income or reduce his expenditure.

Worksheet two: Budgeting template

You can use the below budget template to track your own income and outgoings and create a budget for yourself. It can come in handy when thinking about what you want to do next, for example: university, apprenticeships, jobs and managing your money independently.

	Weekly	Monthly	Yearly
Income e.g. job or student loan	Convert from yearly (divide by 52 weeks)	Convert from yearly (divide by 12 months)	
(1) Total income	£	£	£

Expenditure	Weekly	Monthly	Yearly
Living costs (regular) e.g. accommodation, food, bills and clothes			
(2) Sub total	£	£	£

Worksheet two: Budgeting template cont.

Expenditure cont'd	Weekly	Monthly	Yearly
One off costs e.g. laptop			
(3) Sub total	£	£	£
Travel e.g. car, train			
(4) Sub total	£	£	£
Leisure e.g. cinema, gym			
(5) Sub total	£	£	£

	Weekly	Monthly	Yearly
Income (1)			
Living costs (2)			
One off costs (3)			
Travel (4)			
Leisure (5)			
Total expenditure (2+3+4+5) = 6	£	£	£
Balance (1) – (6)			

If (6) is greater than (1), you need to think of ways to increase your income or reduce your expenditure.