

Key Stage 2: Age 7-11

BUDGETING BASICS



THE
FAMILY
BUILDING
SOCIETY

Why is it important to be able to keep track of our money?

Learning the basics of budgeting early on will help children to understand what things cost and the value of money.

Keeping track of what they have and how they spend it can also help them to understand that it's all part of staying in control of their money now and in the future.

Linking these ideas to practical activities at home makes the learning come alive for your children.

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What will your child learn?

These challenges will help your child to:

- ✓ Know the different ways to keep track of money
- ✓ Understand why it's important to keep track of spending and saving
- ✓ That planning our spending helps us stay in control of money
- ✓ Know how to plan a basic budget
- ✓ Make spending decisions based on priorities
- ✓ Know that it may not be possible to have everything straightaway and that we may need to save money for the things we want in the future.



1 MY MONEY DIARY

A great way to help your child learn about budgeting is to give them their own money to manage. Pocket money or an allowance is a great idea to get them to keep track.

You can start by helping them to track their spending weekly, or monthly if they're older.

Ask your child to:

- Set up a money diary. You can use a notepad or try using a tablet to create a digital money diary.
- Draw some columns, and label them like this.
- Ask them to think about how they could increase their money 'in', also called 'income'. How about doing some jobs around the house or for others in the family?

? Did you know?

Have you heard the saying 'look after the pennies and the pounds will look after themselves'?

It means if you concentrate on saving small amounts of money, your savings will increase more easily.

Can you think of any other sayings about money?



Date	Description	IN	OUT	TOTAL
7 Jan	Christmas money	£20.00		£20.00
8 Jan	Bought new T shirt		£10.00	£10.00

BUDGETING BASICS

2 PYJAMA PARTY!

If your child has a sleepover, you could make this into a budgeting opportunity. Ask your child:

You're going to have a sleepover with your friends so;

- What do you want to eat and to drink? Make a list.
- Now do some research to find the costs in different supermarkets.
- Ask an adult to help you to search online.
- What if you had a spending limit? If it was £20, would you have enough for all the things you want?

Remind them that it's important to stay in budget and to make sure they don't spend more than they have.

You could also get them to earn what they need or want for their pyjama party by doing jobs around the house. This will help them to make the connection between earning and spending and the value of money.

You can always tweak this activity to a simple playdate and ask your child to budget for some snacks.

? Did you know?

Some parents worry about exposing their children to money too early. They say it's to protect them from the pressures of adult life. But did you know that how you manage money will influence how your child will deal with money when they grow up? They learn these habits early so starting early is a good move.



3 THE GREAT ESCAPE OR STAYCATION?

All families look forward to a holiday, but a family holiday can cost a lot of money. This is another great way to involve children by helping them to learn about the cost of much bigger purchases and how they can contribute to budgeting for them.

Ask your child:

- What kind of holiday would you like us all to go on?
- What will we need to pay for? Here are some ideas to help you:

Flights / train / fuel for the car?

Hotel / campsite?

Insurance

Food and spending money...



Next you can set a budget. You can decide what is a realistic amount, and ask them:

- How can you help to contribute to the money needed for the holiday?
- Remember your spending diary? Can you spend less so we can put it towards the holiday?
- Is there anything you can do without and so contribute to the family holiday?
- What else can the family do to budget for the holiday?

Show them what **you** will do to budget too. Maybe you'll take packed lunches to work rather than buying them so that the money saved can go toward the holiday.

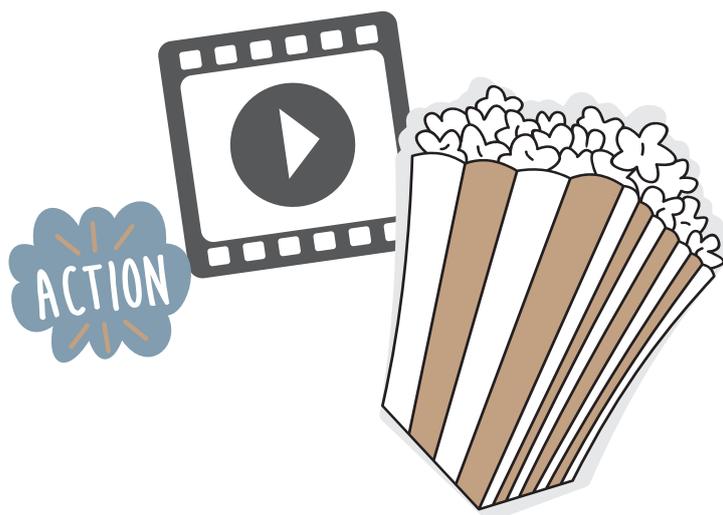
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MORE TO DO...

SET FAMILY BUDGETING CHALLENGES

You can set budgeting challenges for all sorts of things.

- Ask your child to help you to work out the costs of different things you do as a family, such as:
 - A movie night at home
 - A trip to the bowling alley
 - Compare the cost of homemade / supermarket versus takeaway food like pizza or burgers or popcorn.
- Compare the cost of days out and big holidays. Which are better and why?



THE BEST THINGS IN LIFE ARE FREE!

- What kind of activities can they think of that they like to do that don't cost a lot of money or none at all. Here are some ideas – can they think of any more?
 - Going to the park
 - Riding their bike / skateboard
 - Going for a walk.

CHECK IT OUT

There's a lot of 'jargon' around budgeting. Get to grips with it here:

Budgeting – planning how much money will be spent and earned in a set time period.

Budget – a plan that you make to keep track of your money and where it's going.

Debit – a debit payment comes straight out of the bank account it links to. With a debit card you can't spend more than you have in your account.

Credit – if an account's 'in credit' it means that there's money in it that's available to spend. If you buy something 'on credit' it means that someone (e.g. a bank or store) has given you the money as a loan to make the purchase. You will need to pay it back later, usually with some interest.

Value for money – this will change depending on what's important to you at the time. Best value for money could be getting the cheapest magazine, or it could be getting one that's more expensive but has the most free gifts!

Save – putting money aside for the future. You could save money in a piggy-bank, bank account or Junior ISA.

Spend – using your money to buy things.

Chore – a small job or task such as tidying your bedroom or washing the dishes.

Earn – to get money as payment for a job that you do. You might earn pocket money for household chores!

