

# MADE OF MONEY

## SESSION 1: Budgeting

### GETTING STARTED...

Doing a money plan (also called a 'budget') is a great way to start taking control of your money. It helps you to figure out what money you have coming in, what you need, and how you can make ends meet.

#### To put together your own money plan, you will need:

- Bills, statements, letters & receipts relating to your income (money coming in) and expenditure (money going out)
- Details of who you owe money to
- Paper, pens, and a calculator
- Quiet time to focus, without any interruptions
- Maybe a friend or family member to give you help or support

**Top Tip:** Before you start your budget, you may find it useful to keep a spending diary for between a week and a month—recording everything you spend, no matter how small. You'll find it useful when you get to steps 2 and 3.



You will also need to decide whether to do your plan **weekly** or **monthly**. You can do either, depending upon when your money comes in and how you like to manage your money, but you will need to do some calculations to make all of your figures *either* weekly *or* monthly.

#### Changing monthly amounts into weekly

If you are making a weekly plan, but have monthly amounts for your income or expenditure, you can change them to weekly amounts:

- Multiply (x) the **monthly amount** by **12**. This gives you the yearly amount.
- Divide (÷) this by **52** and this now gives you the **weekly** amount.

*SO: If you pay £30 a month for your mobile, this would be  $30 \times 12 \div 52 = £6.92$  a week*

#### Changing weekly amounts into monthly

If on the other hand you decide you want to do a monthly plan, but have some figures weekly

- Multiply (x) your **weekly figure** by **52** to get a yearly figure.
- Divide (÷) by **12** to give you your **monthly** amount.

*SO: If you pay £10 a week for gas, this would be  $10 \times 52 \div 12 = £43.33$  a month.*

**Now that you have everything you need for your money plan,  
you're ready to get started!**

*Illustrations courtesy of Sebastien Braun (2011)*