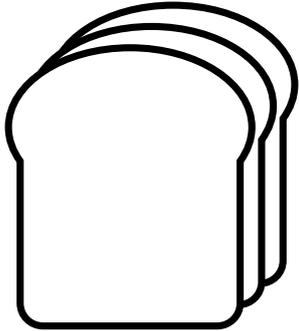
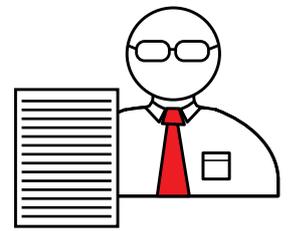


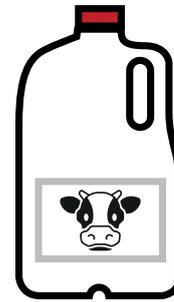
Billy's shopping list



What is it?

How much do you think it costs?

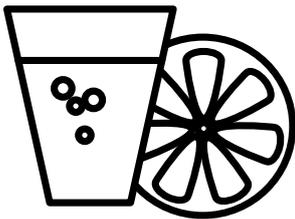
Actual cost



What is it?

How much do you think it costs?

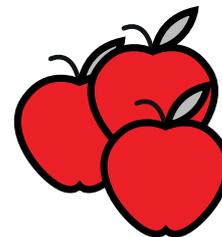
Actual cost



What is it?

How much do you think it costs?

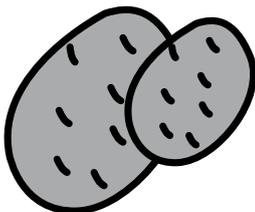
Actual cost



What is it?

How much do you think it costs?

Actual cost



What is it?

How much do you think it costs?

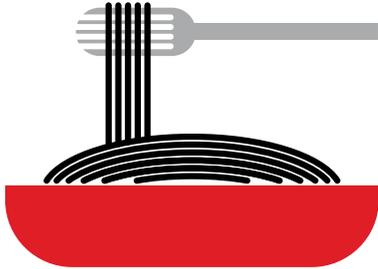
Actual cost



What is it?

How much do you think it costs?

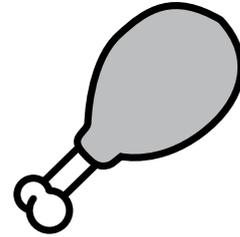
Actual cost



What is it?

How much do you think it costs?

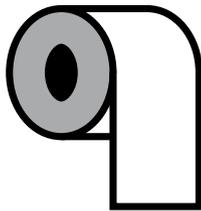
Actual cost



What is it?

How much do you think it costs?

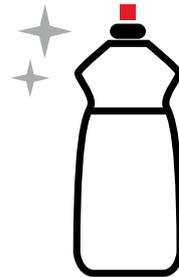
Actual cost



What is it?

How much do you think it costs?

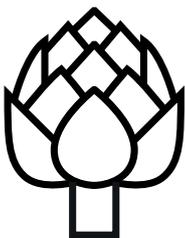
Actual cost



What is it?

How much do you think it costs?

Actual cost

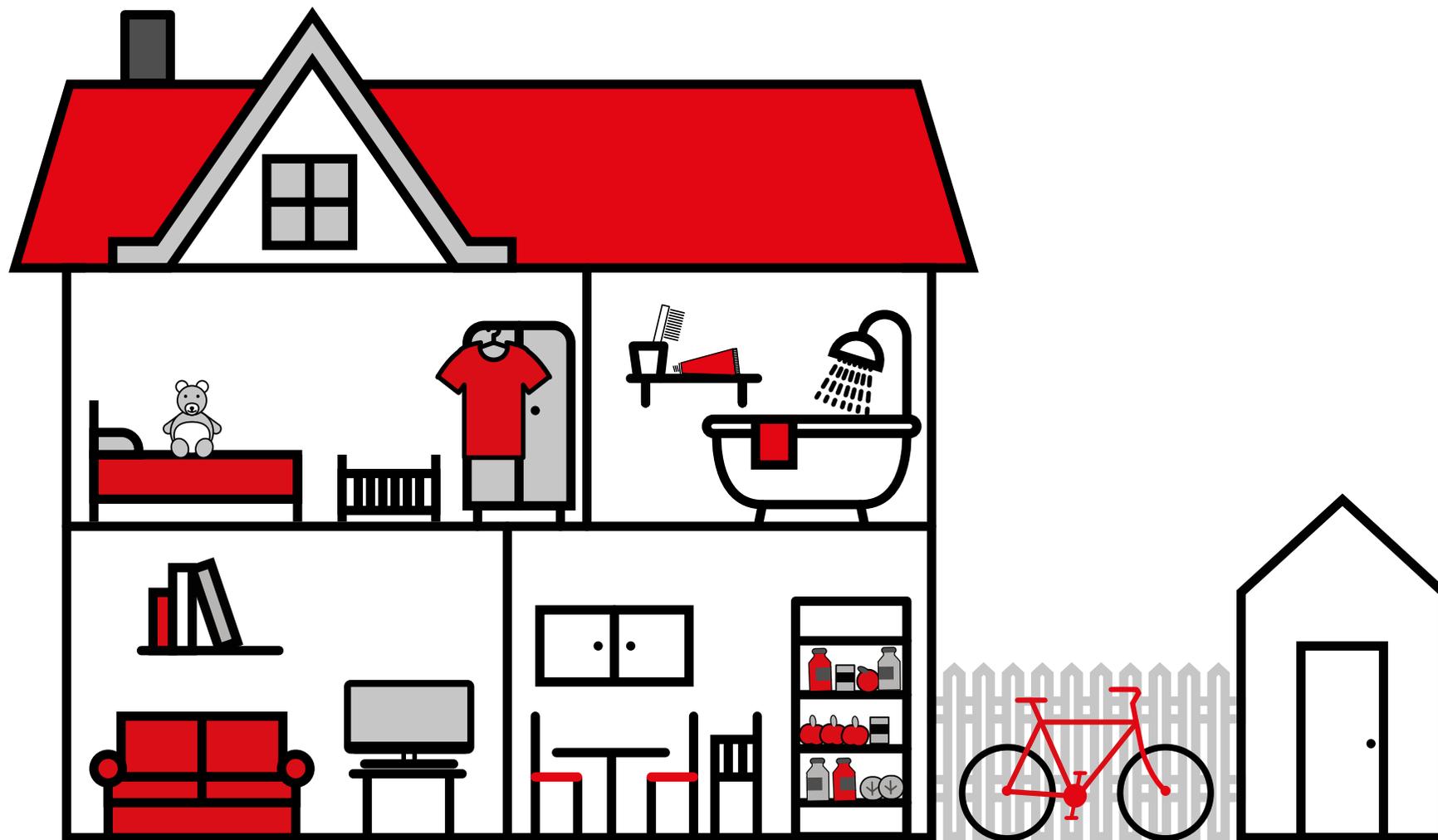


What is it?

How much do you think it costs?

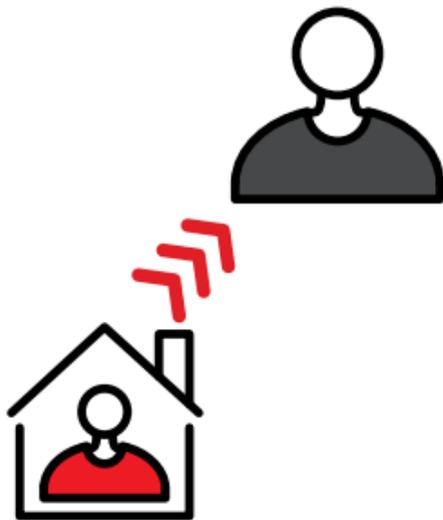
Actual cost

Billy's new home



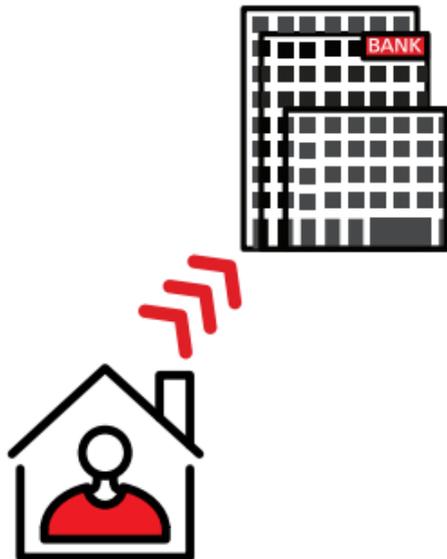
Rent

If you don't own your home, you will usually make regular payments, called rent, to the person that owns it. The amount of rent paid is different for everyone and depends on things like the size and location of the property.



Mortgage repayment

Many people who own their home will have borrowed money from the bank to buy it. This loan is known as a mortgage. You repay the loan to the bank in monthly payments.



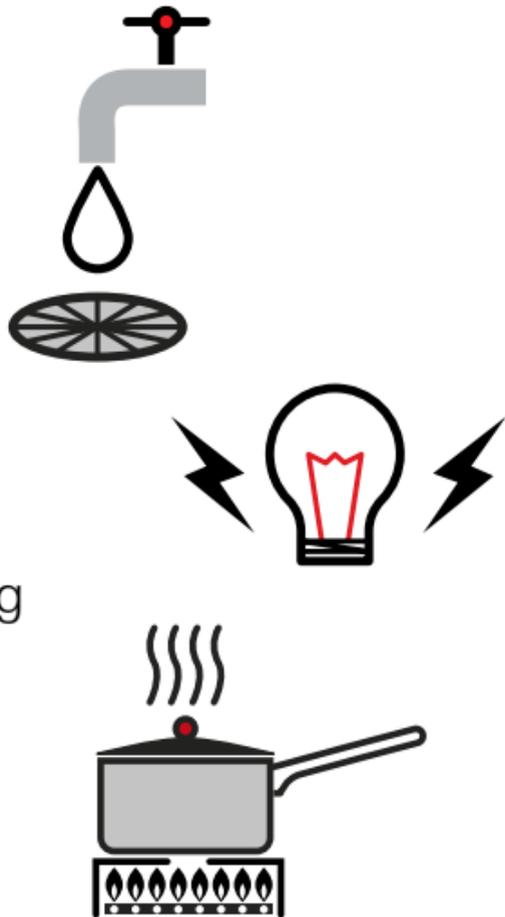
Council Tax

A payment every household must make to their local council to cover the cost of local services. These services include things like libraries, the police, fire service, rubbish collection, street cleaning, parks, and looking after children and elderly people. Every house receives an annual council tax bill which can be paid in monthly payments.



Utilities

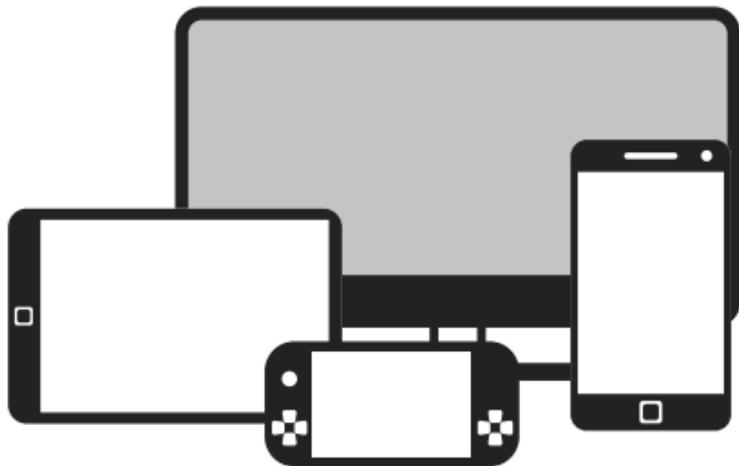
These include gas and electricity (energy), and water. Energy is used for lighting, cooking and heating. Water includes clean drinking water and a sewer connection for waste water. The amount you pay will vary depending on how much you use and which company provides the services.



TV licence

You must have a TV licence if you watch or record programmes as they're being shown on TV or programmes shown live on a website.

This could be on any device, including a TV, desktop computer, laptop, mobile phone, tablet, or games console.



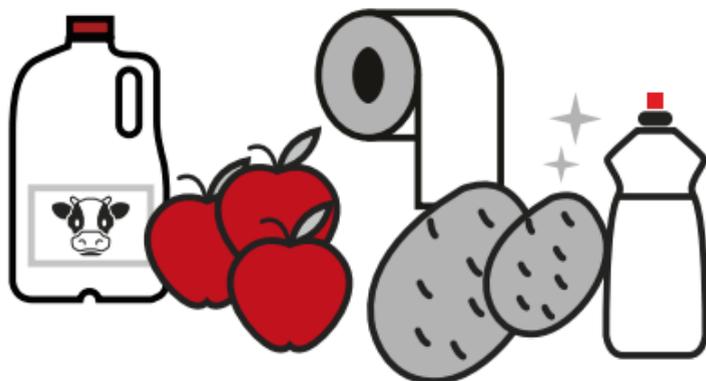
Internet/TV Packages

These allow you to access the internet in your home (from any device), and to watch a whole range of channels on your TV. Costs vary depending on how fast the internet is, how much data you can use, and how many channels you have access to.



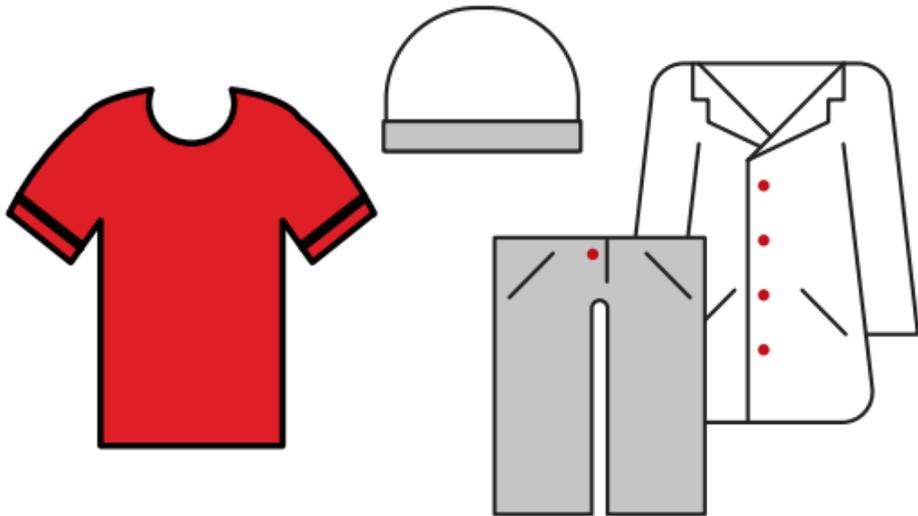
Basic food and household items

These include staple foods like bread, milk, fruit, meat, fish, fruit and vegetables and items used regularly in the home like laundry liquid, cleaning products and toilet rolls.



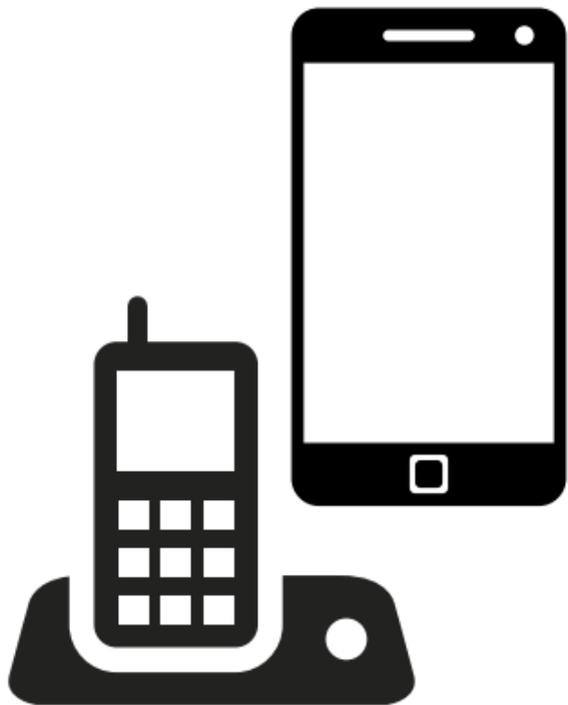
Basic clothes

These include clothes to wear to school or work, coats for cold weather and shoes etc.

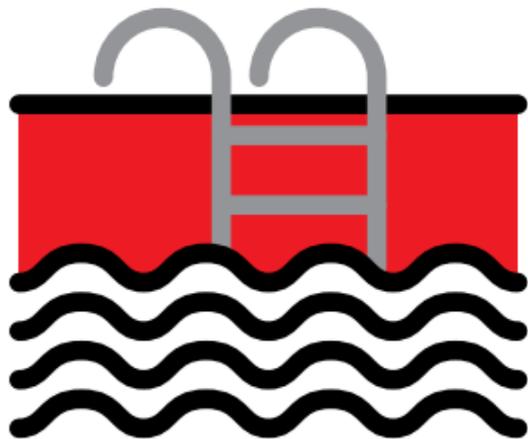


Phone

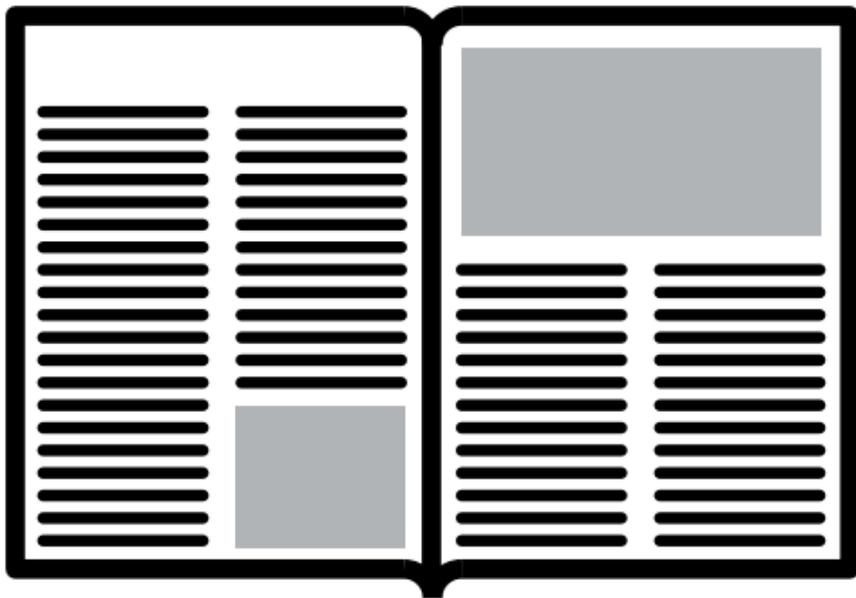
Homes may have a landline telephone which can make and receive calls. People often own or rent mobile phones which can be used to make and receive calls and text messages.



Swimming lessons



Magazines



Ice-cream

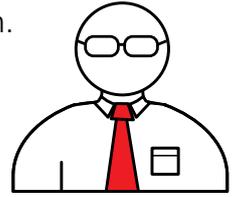


Billy's monthly budget planner

Fixed household costs: Things we 'need' that cost the same amount every month.

Essential living costs: Things we 'need' but the costs vary from month to month, or you may only have to pay for them a few times a year.

Non-essential living costs: Things we 'want' but don't necessarily 'need'.



Monthly income		£	<input type="text"/>
Fixed household costs		£	
		950	
		140	
		13	
Sub total	£		<input type="text"/>

Essential living costs		£	
		350	
		50	
		50	
		60	
		35	
		45	
		40	
Sub total	£		<input type="text"/>

Non-essential living costs		£	
		30	
		20	
		10	
Sub total	£		<input type="text"/>

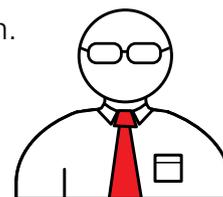
Total monthly costs		£	<input type="text"/>
Difference		£	<input type="text"/>

Billy's monthly budget planner

Fixed household costs: Things we 'need' that cost the same amount every month.

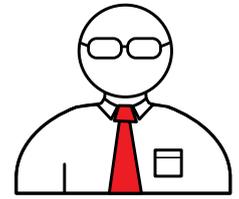
Essential living costs: Things we 'need' but the costs vary from month to month, or you may only have to pay for them a few times a year.

Non-essential living costs: Things we 'want' but don't necessarily 'need'.



Monthly income		£2030
Fixed household costs	£	
Rent/Mortgage	950	
Council Tax	140	
TV licence	13	
Sub total	£1103	
Essential living costs	£	
Basic food and household items	350	
Gas	50	
Electricity	50	
Internet/TV package	60	
Water	35	
Phone	45	
Clothes	40	
Sub total	£630	
Non-essential living costs	£	
Swimming lessons	30	
Magazines	20	
Ice-cream	10	
Sub total	£60	
Total monthly costs		£1793
Difference		£237

Billy's monthly payslip



Fill in the missing amounts in the boxes below on Billy's payslip:

Employee		Date	National Insurance Number	
Billy Johnson 33 Underwood Lane London UK		01/12/2018	LT 892155 Z	
Payments	Units	Rate (£)	Amount (£)	
Basic pay	1 month	2500	<input type="text"/>	
Overtime	10 hours	10 per hour	<input type="text"/>	
Total gross pay			<input type="text"/>	
Deductions				
Income tax @20%			520	
National Insurance contributions			50	
Total net pay (gross pay - deductions)			<input type="text"/>	

Definitions

Label each of these on the payslip above

- 1 National Insurance Number**
Unique number everyone receives when they turn 16 years old.
- 2 Basic pay**
Your pay when you work your normal agreed hours.
- 3 Overtime**
Extra hours you work for extra pay.
- 4 Rate**
Your hourly or monthly salary.
- 5 Gross pay**
Your total pay before any deductions.
- 6 Deductions**
Amounts that are taken from the gross pay (such as income tax and national insurance contributions).
- 7 Income tax**
Paid to the government and used to pay for public services such as hospitals and schools.
- 8 National Insurance contributions**
Paid to the government and used to pay for benefits such as Universal Credit and the state pension.*
- 9 Net pay**
The amount of pay left after deductions. This is often called 'take-home' pay.

*Universal Credit: A payment to help with living costs which you might be able to get if you're on a low income or out of work.

State pension: A payment from the government that you can get after you have retired.

Billy's monthly payslip

Employee		Date	National Insurance Number 1	
Billy Johnson 33 Underwood Lane London UK		01/12/2018	LT 892155 Z	
Payments	Units	Rate (£) 4	Amount (£)	
Basic pay 2	1 month	2500	2500	
Overtime 3	10 hours	10 per hour	100	
Total gross pay			5	2600
Deductions 6				
Income tax @20% 7			520	
National Insurance contributions 8			50	
Total net pay (gross pay - deductions) 9			2030	

- 1 National Insurance Number**
Unique number everyone receives when they turn 16 years old.
- 2 Basic pay**
Your pay when you work your normal agreed hours.
- 3 Overtime**
Extra hours you work for extra pay.
- 4 Rate**
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*Universal Credit: A payment to help with living costs which you might be able to get if you're on a low income or out of work.

State pension: A payment from the government that you can get after you have retired.

Budgeting at home

Today we have been learning about regular household expenses such as rent, council tax, utility bills and food as part of a household budget. To help with understanding these we have then all created a simple monthly budget planner, looking at a payslip with pay and deductions to work out if our fictional character is earning enough to balance his budget.

Ideas to talk about

Take a walk around where you live and photograph/talk about things that you see in your community that might be paid for from tax money. Consider which of these they think are good uses of tax money and why

Discuss how you might as a family reduce your household's usage and bills for example by turning off lights when you leave a room

Help your child to understand some of the words that we use in budgeting at home

