

Budgeting Project

L.O.

Learn about how much it costs for different lifestyles.

Begin to create a budget.

How much do you need to earn to enjoy the life you want?

What type of house are you going to live in?

7 bedroom Luxury House



For sale £4 500 000

2 bedroom flat in a tower block



For sale £130 000

**3 Bedroom
standard house**



For sale £475 000

**2 Bedroom house with
large garden**



**For sale
£250 000**

- You will need to save up 10% for a deposit.
- The rest will be paid on a 25 year repayment mortgage at 3% per year simple interest.

- 1) Work out the deposit for each house.
- 2) Work out the monthly repayments for each house.

You will probably want to have transport to get around.



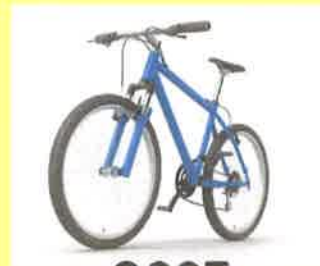
£325 000



£17000



£2750



£325

**You will be expected to put down a deposit of 15%.
The balance will then be paid over 5 years monthly.**

You will need to have a mobile phone to keep in touch.



£899 or £50 per month over 24 months.



£849 or £47 per month over 24 months



£599 or £34 per month over 24 months.



Huawei P8 £199 or £12 per month over 2 years

What broadband supplier are you going to use?



Up to 200Mb/sec
£95 per month.



Up to 76Mb/sec
£65 per month

TalkTalk
Brighter Phone & Broadband

Up to 50 Mb/sec
£40 per month



Up to 16Mb/sec
£8 per month

Utilities:

Water: No. of bedrooms in the house X £85 per year.

Gas: The value of the house ÷ 500 per year.

Electricity: The value of the house ÷ 500 X 1.2

Council Tax: No. of bedrooms in the house X £650 per year.

Insurance:

Car/Bike Insurance = 5% of the cost of the car per year.

House Insurance = 1.5% of the value of the house per year.

Contents Insurance = 0.75% of the value of the house per year.

Plumbing Insurance = £300 per year.

TV Package:



Basic package: £35 per month

Options: Sky Sports, Sky Movies, Sky Documentaries, Kids and Sky Multiroom.

Add £16 per month for each added option.



Basic package: £32 per month.

Options: Sports, Movies, Kids, Documentaries.

Add £18 per month for each added option.

TV Licence: £240 per year.

Student Loans payments:

9% of gross salary over £21000. This is paid monthly over 12 months

Gym membership:

Pure Gym £18 per month.

Fitness First £32 per month

David Lloyd £80 per month

Medical care:

NHS treatment: Free

Bupa: Single membership £150 per year.

**Family membership up to 4 family members
£575 per year + £150 for each extra person.**

PPP: Single membership £175 per year.

**Family membership up to 5 family members
£850 + £175 for each extra person.**

After all these costs have been taken into account, you will need to allow for Groceries and Travel to work expenses.

Groceries:

£100 per person per month.

Annual season ticket for trains/buses £1000.

How are you going to fund all this lifestyle?

World Class professional sportsperson, Successful entrepreneur, Chief Executive of FT100 company. £1000 000

Surgeon, Solicitor, Accountant, Headmaster, Chief Executive of Medium size company. £120 000

Teacher, Car salesperson, Junior Doctor, Small business manager, Theatre actor. £35 000

Nurse, Teaching Assistant, Waiter, Hair dresser, Security guard, Admin Assistant £20 000

Your task is to create a budget to show whether you will be able to afford the lifestyle that you would like.

You should calculate all the different possibilities and then make decisions on what choices you will make.

Can you stay in budget?

REMEMBER: You must pay tax and National Insurance on your earnings.

N.I. = 11% of your salary

Tax = Nothing on earnings up to £10 000.

20% from £10000 up to £50 000.

50% on anything over £50 000

Budget statement

		Mr Smith			
Income:		Monthly		Annual	
Gross Salary		£	-	£	-
Deductions					
National Insurance		£	-	£	-
Tax:					
0% 0-10000	10,000.00	0			
20% 10000-50000	-10,000.00				
50% >50000					
Total Income tax	£	-	£	-	0
Student loans:					
9% >21000	-21,000.00	£	-	0	
Total deductions					
Net Salary		£	-	£	-
Total Net Salary of family		£	-	£	-
Expenses:					
Mortgage payments	0.00				
Car payments	0.00				
Mobile phone					
Broadband					
Water					
Gas					
Electricity					
Council tax					
Car insurance					
House insurance					
Contents insurance					
Plumbing insurance					
TV license					
TV package					
Gym membership					
Medical care					
Groceries					
Travelcard					
TOTAL EXPENSES	0.00				
Disposable income	0.00				

Mrs Smith

Monthly	Annual
£ -	£ -
£ -	£ -
£ -	0
£ -	0
£ -	£ -
£ -	£ -

Mortgage Payments

House Value	£	-
Deposit	£	-
Amount borrowed	£	-
Interest	£	-
Total to pay	£	-
Monthly payment	£	-

Car Payments

Car Value	£	-
Deposit	£	-
Amount borrowed	£	-
Monthly payments	£	-