



Lucy's budget

Lucy has just finished university and is creating a budget for the first time as she has a new job and is renting a new apartment in Newcastle.

Answer the following questions to help Lucy understand her budget better.

Part A: Budgeting

1. Complete the values for 'total income' and 'total expenses' in the table.
2. What is Lucy's biggest monthly expenditure?
3. What is Lucy's smallest monthly expenditure?
4. How much money does Lucy have remaining?
5. Why is it important to have money remaining at the end of the month? What can it be used for?
6. Complete the last column using 'needs' and 'wants', identifying which expenses and needs and which are wants. Are there any which are hard to categorise?
7. What is the total amount she spends on needs?
8. What is the total amount she spends on wants?

Transactions				
Income	Amount	Expenses	Amount	Needs or wants?
Barista at The Coconut Cafe	£2,100	Flat rent	£900	
Babysitting	£300	Electricity and gas	£120	
		Cinema trips and outings	£30	
		Streaming subscription	£30	
		Work clothes and shoes	£200	
		Gym membership	£40	
		Mobile phone	£50	
		Petrol	£140	
		Dog food	£40	
		Supermarket food	£80	
		Council tax	£50	
		Holiday weekend away to Paris	£280	
		Restaurant meals	£100	
Total income		Total expenses		

Part B: Using the 50:30:20 budgeting framework

- (a) What percentage of her total income did she spend on needs in the month? (Total spending on needs ÷ total income x 100)
- (b) Stretch - How does that compare with the recommended proportion?

- (a) What percentage of her total income did she spend on wants in the month? (Total spending on wants ÷ total income x 100)
- (b) Stretch - How does that compare with the recommended proportion?

- (a) What percentage of total income did she save in the month? (Total spending on savings ÷ total income x 100)
- (b) Stretch - How does that compare with the recommended proportion?

Do you think that Lucy has a balanced budget (meaning is she spending roughly the recommended amounts on needs, wants and savings)? If you were giving some advice to Lucy on the proportion of monthly money she spent on needs, wants and for the future, what would you say to her? (Answer in 2-3 sentences)