

IO3: Financial Literacy Induction Training for Parents

Handout M5.6 – Managing Money During Critical Life Periods

Paul’s Monthly Income and Expenses

Calculating a personal budget

Paul works as a nurse in the local hospital. He gets **paid monthly** and earns £1100/euros a month in wages and benefits. Paul’s family has the following bills:

- TV subscription = £10/euros per month.
- Rent = £450/euros per month.
- Electricity = £100/euros per month.
- Car (including car loan and fuel) = £100/euros per month.
- Phone Bill = £50/euros per month.
- Internet = £20/euros per month.
- Savings = £15/euros per month.

Paul uses his remaining money to buy food and clothing. Create a **weekly** budget for his family and identify how much disposable income he has left. What could be his family’s priorities?

Paul’s Monthly Survival Budget

Income		Expenditure	
Wages	1100	TV subscription	10
		Rent	450
		Electricity	100
		Car (including car loan and fuel)	100
		Phone Bill	50
		Internet	20
		Savings	15
Total Income	1100	Total Expenses	745
Money left after paying the bills = income minus expenses	1100-745 = 355, 355 divided by 5 (weeks in a month) = £/Euros 71 per week		

*Imagine there are **5 weeks** to each month. This helps ensure that Paul won't run out of money in the longer months and will give him a buffer of money left over in most months.*

Use the template below to create a weekly budget for Paul to identify how much money he has available to spend on food and other items.

Income		Expenditure	
Item	Value	Item	Value
Total Income		Total Expenditure	
Balance Available (Total Income – Total Expenditure)			