

What is a budget?

A plan for your money: what comes in, what goes out and what is left.

Answers and teaching notes

For the teacher

- **Aim:** Pupils know the three parts of a budget (money in, money out and what is left), complete a simple budget and decide what to change when spending is more than income.
- **Curriculum links:** Financial Education Planning Framework, ages 9 to 11: how to manage money (planning and keeping track with a simple budget). PSHE: economic wellbeing. Citizenship: looking after money. Maths: adding and subtracting money, two-step problems.
- **Watch first:** the Penny Explains video “What is a budget?” at pennyexplains.com.
- **Starter:** Ask: imagine you get £10 on Monday and it has all gone by Wednesday. What went wrong? What could help next time?
- **Support:** Give play money or counters for activity 3. Pupils can check their totals with a calculator.
- **Stretch:** Pupils plan a class party with £30 to spend, write it as a budget, then swap and check each other’s totals.
- **Total:** 41 points. Suggested answers are shown in red; accept any answer that is well reasoned.

I can...

- [ ] I can say what income, spending and a budget are.
- [ ] I can add up a budget and work out what is left.
- [ ] I can change a budget that does not balance.

Key words

Budget: a plan for your money.

Income: money that comes in.

Spending: money that goes out.

Balance: a budget balances when you do not spend more than comes in.

1 Match the word to its meaning

4 points

Draw a line from each word to its meaning.

Budget	A plan for your money
Income	Money that comes in
Spending	Money that goes out
Saving	Keeping money to use later

2 Money in or money out?

8 points

Kofi is 10. Write each one in the right box.

A cinema ticket | Pocket money | Snacks | Bus fare | Money from selling old toys | Birthday money from Gran | A new comic | Pay for washing the car

Income (money in)	Spending (money out)
Pocket money	Bus fare
Birthday money from Gran	Snacks
Pay for washing the car	A cinema ticket
Money from selling old toys	A new comic

3 Kofi's budget

5 points

This is Kofi's budget for May. Work out the three missing totals.

Kofi's budget for May	Amount
Pocket money (in)	£16
Pay for washing the car (in)	£4
Total income	**£20**
Snacks (out)	£5
Comic (out)	£3
Football stickers (out)	£2
Cinema trip (out)	£6
Total spending	**£16**
Money left (income take away spending)	**£4**

a) Does Kofi's budget balance? How do you know?

2 marks

> Yes. Income: £16 + £4 = £20. Spending: £5 + £3 + £2 + £6 = £16. He spends less than comes in, so £20 – £16 = £4 is left to save.

4 Budget sums

8 points

Show your working in the box.

a) Mia gets £10. She plans to spend £7. How much is left to save?

Working

£10 − £7 = £3

Answer: £3

b) Sam has £25. He spends £8, £6 and £5. How much is left?

Working

£8 + £6 + £5 = £19

£25 − £19 = £6

Answer: £6

c) Ella earns £3 a week for jobs at home. How much is that in 4 weeks?

Working

4 × £3 = £12

Answer: £12

d) Noah has £20. He plans to spend £9, £7 and £8. How much is he over?

Working

£9 + £7 + £8 = £24

£24 − £20 = £4

Answer: £4 over

5 Oh no! It does not balance

4 points

Read the story, then answer the questions.



Penny says: A budget does not stop the fun. It makes sure there is money for the things you want most.



In June, Kofi's income is still **£20**. He plans to spend **£5** on snacks, **£3** on a comic, **£6** on the cinema and **£10** on a birthday present for his sister.

a) What is Kofi's total planned spending? Does his budget balance? 2 marks

£5 + £3 + £6 + £10 = £24. No: £24 is £4 more than his £20 income.

b) What would you change so that the budget balances? Say why. 2 marks

Any change that saves at least £4, with a reason. For example: miss the cinema this month (saves £6), spend less on snacks and the comic, choose a £6 present, or earn £4 more by doing extra jobs.

6 How to make a budget

5 points

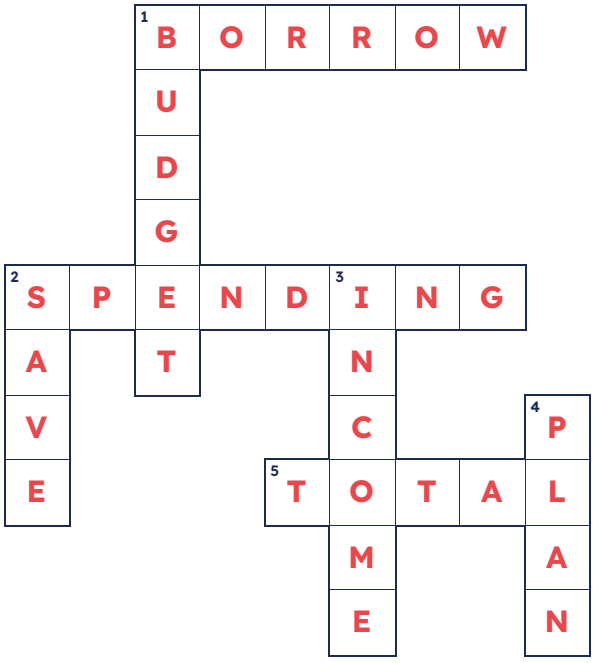
Number the steps from 1 to 5. Start with the money coming in.

1. Write down all the money coming in.
2. Add it up to find your total income.
5. If you are spending more than you have, change your plan.
3. List what you plan to spend, and add that up.
4. Take your total spending away from your total income.

7 Budget crossword

7 points

Use the clues to fill in the grid.



Across

1. Use someone else's money, then pay it back (6)

2. Money that goes out (8)

5. What you get when you add everything up (5)

Down

1. A plan for your money (6)

2. Keep money to use later (4)

3. Money that comes in (6)

4. Decide what to do before you do it (4)

8 Before you go

One thing I learned today

One question I still have

How sure do I feel?

Not yet | Getting there | Got it

Take it home

Plan a pretend **£20** family treat with a grown-up. Does your budget **balance**?

© Penny Explains · pennyexplains.com · Free to print and copy for teaching.

Education, not financial advice.