

Budgeting and planning for the future

Age range: 16+



Barclays LifeSkills have partnered with Spectra First to support those leaving care to build their employability skills and financial capability. As a signatory of the Care Leaver Covenant, alongside other organisations, Barclays has committed to offer a different type of support and expertise from that statutorily provided by local authorities. For more information visit mycovenant.org.uk.

Pages 1-2 of this pack are delivery notes for the facilitator, and page 3 is a worksheet for young people. Page 4 has a list of links for further support.

Budgeting basics

15 mins

Ask the group/individual what they think the term 'budgeting' means.

- Explain it generally means only spending what you've got; planning how to spend a set amount of money in a day, over a week, or month or on a particular item. A household budget is used to plan spending on rent, groceries and other bills
- Discuss with the group/individual the information they will need to know in order to put together a realistic household budget for living independently:
 - Regular income e.g. wages, benefits such as universal credit
 - Current outgoings (the bills and expenses they will have to pay) e.g. rent, travel costs, gas and electricity bills
 - Timing of income and outgoings e.g. the day of the month they will get paid their wages, the date by which bills have to be paid
 - How they will pay their bills and expenses e.g. through a bank account, by direct debit, in cash
 - Planned changes to income and outgoings e.g. annual increase in rent or council tax
- Emphasise that they need to plan ahead for the financial aspects of living independently. Without a budget they won't know if they can afford it

Creating a budget

10 mins

- Using the online budget sheet, e.g. from [Money Advice Service](#) or [Debt Advice Foundation planner](#), look at the different sections to draw out discussion around costs and any tips the group/individual has for keeping a useful budget. Ask them how they would find the best deals possible, and which costs might change depending on the property or area they live in
- If you have time, individuals can create their own monthly budget; the complexity will depend on the different situations of the young people you are working with
- They can research rental prices where they live or would like to live, bills, food and transport costs online, as well as researching and comparing costs and deals online through websites like [Money Saving Expert](#). If they are not earning, they could base the budget planner on the average salary for young people aged 22-29 of £20,900*
- Get them using the online [calculator](#) to help get an estimate of their benefits entitlement

*HMRC March 2019 gov.uk/government/statistics/distribution-of-median-and-mean-income-and-tax-by-age-range-and-gender-2010-

Budgeting and planning for the future

Planning for the future

10 mins

- Explain that as well as managing our money day-to-day, we also need to be prepared for unforeseen expenses or emergencies
- Ask the group/individuals to suggest scenarios that might have a negative impact on our finances, e.g. being made redundant, car breaking down, running up a big bill.

How would this affect their budget?

- Talk about ways they could plan for unanticipated spending, for example saving up a certain amount of money each month, cutting costs until their budget is back on track, taking out insurance
- Ask the group/individuals to suggest ways in which we might get unexpected or 'extra' income, e.g. pay rise, completing overtime, getting a lump sum like a bursary or grant, receiving money as a gift. Discuss the benefits of saving this sort of money, or thinking very carefully before they spend it

Extension

Ask the group/individual to consider what their ambitions are for the future:

- Do they want to own a car, go travelling abroad, or start a business?
- Get them to research how much their goals might cost.
- How much money are they likely to need?
- Can they save up the money?
- Are there any bursaries, awards or grant they could apply for?
- Encourage them to create a budget showing all the relevant income and expenses

Budgeting and planning for the future

Worksheet 1: Budget planner

Income	
Form of income	Amount (£)
Total income (£)	

Expenditure	
Item	Cost (£)
Total expenditure (£)	

Balance (£)	
Savings (£)	

Further support

The following links can be explored to get further advice on a number of topics around managing finances and living independently:

The Childrens Commissioner (general advice for those up to 25)

childrenscommissioner.gov.uk

The Rees foundation (general support for Care Leavers of any age)

reesfoundation.org

Care Leaver Covenant (help finding job opportunities)

mycovenant.org.uk

The Association of British Credit Unions (help finding the right credit unions and general information about these)

findyourcreditunion.co.uk

Propel (support for those going to university, including financial advice)

propel.org.uk/UK

Citizens Advice Bureau (general legal and financial advice)

citizensadvice.org.uk

Step Change (debt management advice)

stepchange.org

Money Helper (general financial advice)

moneyhelper.org.uk

Debt Advice Foundation (free, confidential debt advice charity)

debtadvicefoundation.org

Benefit calculator (free tool to help find estimates for benefits entitlements)

entitledto.co.uk/help/better-off-calculation

Experian (free tool for credit score checks)

experian.co.uk

If you are a young person and want to know more about money and work, register at <https://barclayslifeskills.com/help-myself/>

If you are working with young people who have experienced care, explore more adapted content at barclayslifeskills.com/help-others/lessons and select 'Care leavers'.

Many other LifeSkills lessons are also suitable for use with care leavers to support them on their employability journey. To find out more, go to barclayslifeskills.com/help-others/lessons and select the 'Building key skills to do well at work' category.