Max’s Financial Planning Journal

Learning objective: To understand the importance of budgeting, the difference between needs and wants, and the responsibility of managing personal finances.

Use this journal to help Max the monkey plan his weekly budget. Think carefully about the items he needs for his treehouse versus the items he simply desires. Consider how saving small amounts of money can help you achieve larger goals in the future.

Word bank: budget · expenditure · income · necessity · luxury · savings · transaction · value for money

1. Defining Needs and Wants: List three items Max might need to purchase to stay healthy and safe, and three items that would be considered luxuries. Explain why the distinction between these two categories is vital for managing money. (4 marks)

2. Budget Planning: Imagine Max earns £10.00 from helping in the orchard. If he spends £3.50 on snacks and £2.00 on seeds, how much does he have left? Show your calculation and justify whether he should spend the remainder or save it. (3 marks)

3. The Value of Saving: Compare and contrast the benefits of spending money immediately versus placing it into a savings account. What might happen if an unexpected cost arises and Max has no savings? (3 marks)

4. Responsible Choices: Describe a scenario where Max is tempted to buy an expensive toy but decides to wait. Explain the emotional and financial benefits of 'delayed gratification'. (3 marks)

5. Critical Analysis: If the price of essential items increases while Max’s income stays the same, how must he adjust his budget? Justify your proposed changes. (4 marks)

6. Creative Extension: Draft a short persuasive advertisement for a 'Financial Literacy Club'. Use persuasive language to explain to your peers why understanding money management is a skill for life. (4 marks)