

## Max's Money Management Challenge

*Learning objective: To understand the difference between needs and wants, evaluate spending choices, and demonstrate an understanding of financial responsibility.*

Read each scenario carefully. Use your mathematical reasoning to solve the problems and your PSHE knowledge to justify your choices regarding personal finance.

Max the monkey has been given £20 for his birthday. He has a list of items he wants to buy, but he also needs to save for a school trip that costs £12. His list includes: a pack of sketching pencils (£3.50), a shiny new compass (£4.25), a delicious bunch of organic bananas (£2.50), and a novelty monkey keyring (£5.00).

*Word bank: Budget · Needs · Wants · Savings · Prioritise · Value · Expenditure · Income*

**1. Max identifies the school trip as a 'need'. Explain why a school trip is considered a 'need' for his education, whereas the novelty keyring is a 'want'. (2 marks)**

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**2. Calculate the total cost if Max were to buy all the items on his list in addition to his school trip. How much extra money would he need? (2 marks)**

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**3. If Max puts his £12 trip money aside immediately, he has £8 remaining. Suggest a budget for Max that allows him to buy some, but not all, of his items. Justify your selection. (3 marks)**

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**4. Compare and contrast the impact of spending all your money immediately versus saving a portion of it for a future goal. (2 marks)**

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**5. What might happen if Max decided to spend his trip money on the keyring instead? Discuss the long-term consequences of this decision. (2 marks)**

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**Draw:** Draw a 'Needs vs Wants' table. In one column, illustrate three essential items for school life. In the other, illustrate three luxury items you would like to have, but do not necessarily need.

| Needs | Wants |
|-------|-------|
|       |       |
|       |       |
|       |       |

*Extension challenge: Imagine you have a weekly income of £5. Create a four-week savings plan to purchase a larger item costing £18. Explain how you would manage your budget to ensure you still have enough for small weekly necessities.*