Max’s Financial Future: Budgeting for Our Goals

Learning objective: To understand the importance of budgeting, saving, and making responsible financial choices to achieve long-term goals.

Use this writing frame to help Max plan his budget. Think carefully about the difference between 'needs' and 'wants', and justify your choices for how he should manage his pocket money.

Max has been given £15.00 this month to manage, but he is torn between buying a new puzzle set for £12.00 or saving his money for a larger project later in the year.

Word bank: consequently · furthermore · essential · expenditure · prioritise · short-term sacrifice · financial responsibility · in contrast · long-term goal · budgeting

1. Identify the 'needs' and 'wants' in Max’s situation. Explain why it is vital to distinguish between these two categories before making a purchase. (3 marks)

2. Max is considering spending £12.00 immediately. Evaluate the consequences of this choice. What might happen if an unexpected cost arises later in the month? (3 marks)

3. Compare and contrast the benefits of impulsive spending versus the benefits of delayed gratification. Which approach leads to greater financial security? (4 marks)

4. Justify your recommendation for Max. If he decides to save £5.00 each month, calculate how long it will take him to reach a goal of £40.00. Show your working out. (3 marks)

5. Explain why people might choose to donate a portion of their money to charity. How does this decision fit into a personal budget? (2 marks)

6. What might happen if Max finds a way to earn an additional £3.00 per week? Describe how this extra income could alter his financial plan. (3 marks)

Extension challenge: Design a 'Personal Financial Strategy' poster for Max. Include a clear table showing his income, his fixed costs (needs), and his savings target. Write a persuasive paragraph at the bottom explaining why starting to save at a young age is a wise investment for his future.