Max’s Money Management Challenge

Learning objective: To understand the difference between needs and wants, and to recognise how to make responsible choices when managing personal finances.

Read each scenario carefully. Use your knowledge of budgeting and prioritising to answer the questions. Max the monkey is helping us learn how to handle our pocket money wisely!

Word bank: budget · need · want · savings · prioritise · essential · value

1. Max has £10.00. He needs to buy a £3.50 notebook for school (a need) and he wants to buy a £4.00 toy car (a want). Explain why Max should buy the notebook first. (2 marks)

2. List two examples of 'essential' costs that a household must pay for, and two examples of 'wants' that are nice to have but not necessary for survival. (2 marks)

3. If Ellie the elephant earns £5.00 a week for doing chores and she saves £1.00 every week, how much will she have saved after 8 weeks? Show your working out. (2 marks)

4. Why is it important to have a 'savings' pot rather than spending all your money as soon as you receive it? (2 marks)

5. Kit the fox sees a game that costs £15.00. Kit currently has £7.00. If Kit earns £2.00 per week, how many weeks will it take to afford the game? Will Kit have any money left over? (3 marks)

Draw: Draw a 'Money Tree' for Max. On the leaves, draw or write things that are 'needs' (essential items), and on the trunk, write 'savings' goals like a new book or a trip to the museum.

Extension challenge: Imagine you have a weekly budget of £5.00. Create a spending plan for the next month (4 weeks). How much will you save, and what will you spend your money on? Remember to include at least one essential item.