# Financial literacy − budgeting and saving money

This activity is part of a series of activities focused on financial literacy. It introduces budgeting and saving.

Duration: 120 minutes

**Focus of the learning**

* Recognise current spending habits and what influences your spending.
* Develop a budget to allow for necessary spending and saving.
* Recognise simple saving strategies and use goal setting and financial literacy skills to create a savings plan for a future event.

**What you need**

* access to the internet and laptop/tablet/phone
* online access to the [ASIC MoneySmart website](https://www.moneysmart.gov.au/)

### Activity – Planning to save

Most Australians begin considering how to budget because they have a particular goal in mind. Budgeting is working out where your money is going, living within your means and a tool to achieve a particular financial goal.

Visit the [ASIC MoneySmart saving statistics webpage](https://www.moneysmart.gov.au/managing-your-money/saving/how-australians-save-money). Review the various statistics featured on the website.

* Record any information you found interesting and/or surprising.

Create a list of the various items and activities you spend money on.

Access the [ASIC MoneySmart budget planner](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/budget-planner). The budget template enables you to work out where your money is going, create your own custom items and change currency symbol, save your results online or use an Excel budget spreadsheet.

* Develop a personal budget by completing the budget planner or the Excel budget spreadsheet.

Brainstorm some simple you believe you could save money.

Access the [ASIC MoneySmart’s simple ways to save money webpage](file:///C:\Users\NWILSON52\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\ES6JMFQY\ASIC%20MoneySmart's%20'Simple%20ways%20to%20save%20money'%20webpage). The website gives six suggestions. Record some ideas about how you might implement each particular strategy.

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| --- | --- |
| Strategy | How could you implement it? |
| Change one habit and save |  |
| Start saving with a friend |  |
| Save on clothes |  |
| Find savings on food, groceries, electricity and water |  |
| Reduce your bank fees |  |
| Try the Saver Plus Program |  |

### Activity – Case study

Read the case study. Work out a plan for Selina that details when she will be able to pay her deposit and ensure that she will have enough for the rest of the package and bond in 20 weeks’ time, as well as still be able to hang out with her friends in the lead up.

Selina and her friends are planning to go away for schoolies week. The travel and accommodation package is $719 per person plus a $200 bond each. To book the room, Selina will need to pay a $150 deposit and the rest of the package when they arrive. Selina’s parents have agreed to give her spending money for the trip but it is her responsibility to pay for the deposit and the package deal. Selina works casually at Officeworks clearing $123.84 per week. Her only regularly expense is $50 of mobile phone credit each week but she is only able to go out with her friends at the weekend if she pays for it. She has $75 currently saved and it is 20 weeks until schoolies week.

### Additional resources

Suggested additional resource around budgeting and saving money.

[ASIC MoneySmart’s savings goal calculator](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/savings-goals-calculator)

[TrackMySPEND app introduction video](https://www.youtube.com/watch?v=RoYCJWcNIoU)

You can also [download the TrackMySPEND app](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/mobile-apps/trackmyspend). The app has the following features as detailed on the above website:

Use TrackMySPEND to record the following types of expenses:

* costs for special events
* food, entertainment and any other cash expenses that you find hard to record.

TrackMySPEND allows you to:

* nominate a spending limit (per week, fortnight, month or year) and track your progress
* separate 'needs' and 'wants' to identify opportunities to save
* create 'favourites' so you can track frequent expenses
* view your expense history
* create expense reminders sent as text messages to your phone
* auto-fill expenses based on past entries.

[ASIC MoneySmart’s simple money manager](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/simple-money-manager)

[ASIC MoneySmart website](https://www.moneysmart.gov.au/managing-your-money)