

## Session 2: 7 Supported Living Spending Scenarios

### Example 1: Rob

<b>Background</b>	Rob is 18 years old and lives at home. He is not getting on with family and really wants to move out. Rob owns a car and his parents include him on their car insurance so he doesn't pay for this. Rob has a mobile phone contract. He is not currently in work or education.		
<b>Weekly income</b>	£56 benefits		
<b>Weekly bills</b>	Petrol £20, phone £10.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Rob went over his phone bill: he owes £15 more than he budgeted.

2. Rob gets offered the opportunity to get an additional work-based qualification and it's free! He has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Rob's birthday. He receives £20. What does he spend it on?

4. Rob's friends invite him for a night out. It's going to cost him at least £40. What does he do?

5. Rob sees an advert for a payday loan but his friend tells him about the huge interest rates and total cost of paying it back. Rob feels really skint and Christmas is coming up. What does he do?

6. Rob lends £20 to a friend but they don't pay him back and are ignoring his calls. How does he deal with it?

7. Rob needs a new jacket, and sees one for £75. What does he do?

<b>Dilemma</b>	<b>What could Rob do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

## Example 2: Emily

<b>Background</b>	Emily is 16 years old and recently left home after an argument. She is currently staying with a friend at their parents' house. She goes to college and has a part time job.		
<b>Weekly income</b>	£30 Education Maintenance Allowance, part time job £30		
<b>Weekly bills</b>	Food £25, phone £10, bus pass £15.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Emily went over her phone bill: she owes £15 more than she budgeted.

2. Emily gets offered the opportunity to get an additional work-based qualification and it's free! She has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Emily's birthday. She receives £20. What does she spend it on?

4. Emily's friends invite her for a night out. It's going to cost her at least £40. What does she do?

5. Emily sees an advert for a payday loan but her friend tells her about the huge interest rates and total cost of paying it back. Emily feels really skint and Christmas is coming up. What does she do?

6. Emily lends £20 to a friend but they don't pay her back and are ignoring her calls. How does she deal with it?

7. Emily needs a new jacket, and sees one for £75. What does she do?

<b>Dilemma</b>	<b>What could Emily do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

### Example 3: Ian

<b>Background</b>	Ian is 20 years old, lives on his own in a private flat and has a full-time job. He has a professional qualification and works as a junior at an accounting firm. He owns a car and dog.		
<b>Weekly income</b>	£340 full time job		
<b>Weekly bills</b>	Rent £150, utilities £30, food £40, phone £10, dog food £5, petrol £20, car insurance £20.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Ian went over his phone bill: he owes £15 more than he budgeted.

2. Ian gets offered the opportunity to get an additional work-based qualification and it's free! Ian has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Ian's birthday. He receives £20. What does he spend it on?

4. Ian's friends invite him for a night out. It's going to cost him at least £40. What does he do?

5. Ian sees an advert for a payday loan but his friend tells him about the huge interest rates and total cost of paying it back. Ian feels really skint and Christmas is coming up. What does he do?

6. Ian lends £20 to a friend but they don't pay him back and are ignoring his calls. How does he deal with it?

7. Ian needs a new jacket, and sees one for £75. What does he do?

<b>Dilemma</b>	<b>What could Ian do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

### Example 4: Jane

<b>Background</b>	Jane is 22 years old and she lives with her child in a Housing Association property. She works part-time and receives help through tax credits and other benefits.		
<b>Weekly income</b>	£250		
<b>Weekly bills</b>	Rent £80, utilities £40, food £40, phone £10, supplies for baby £20.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Jane went over her phone bill: she owes £15 more than she budgeted.

2. Jane gets offered the opportunity to get an additional work-based qualification and it's free! Jane has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Jane's birthday. She receives £20. What does she spend it on?

4. Jane's friends invite her for a night out. It's going to cost her at least £40. What does she do?

5. Jane sees an advert for a payday loan but her friend tells her about the huge interest rates and total cost of paying it back. Jane feels really skint and Christmas is coming up. What does she do?

6. Jane lends £20 to a friend but they don't pay her back and are ignoring her calls. How does she deal with it?

7. Jane needs a new jacket, and sees one for £75. What does she do?

<b>Dilemma</b>	<b>What could/should Jane do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

### Example 5: Yousif

<b>Background</b>	Yousif is 18yrs old; he works full time at a local café and walks to work to save money. He is on minimum wage so he takes home £217 per week. He lives at home with his family and pays board to his parents.		
<b>Weekly income</b>	£217		
<b>Weekly bills</b>	Board £70 (includes food & all bills), phone £10.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Yousif went over his phone bill: he owes £15 more than he budgeted.

2. Yousif gets offered the opportunity to get an additional work-based qualification and it's free! Yousif has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Yousif's birthday. Yousif receives £20. What does he spend it on?

4. Yousif's friends invite him for a night out. It's going to cost him at least £40. What does he do?

5. Yousif sees an advert for a payday loan but his friend tells him about the huge interest rates and total cost of paying it back. Yousif feels really skint and Christmas is coming up. What does he do?

6. Yousif lends £20 to a friend but they don't pay him back and are ignoring his calls. How does he deal with it?

7. Yousif needs a new jacket, and sees one for £75. What does he do?

<b>Dilemma</b>	<b>What could Yousif do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

## Example 6: Alice

<b>Background</b>	Alice is 20 yrs old; she is an entrepreneur working in a tech business she co-owns. She and her business partner tend to put a lot of their profits back into building their business and they pay themselves a wage of £300 per week.		
<b>Weekly income</b>	£300		
<b>Weekly bills</b>	Rent £160 (includes utilities), food £40, phone £0 (goes through the business), travel pass £40.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Alice went over her phone bill: she owes £15 more than she budgeted.

2. Alice gets offered the opportunity to get an additional work-based qualification and it's free! Alice has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Alice's birthday. Alice receives £20. What does she spend it on?

4. Alice's friends invite her for a night out. It's going to cost her at least £40. What does she do?

5. Alice sees an advert for a payday loan but her friend tells her about the huge interest rates and total cost of paying it back. Alice feels really skint and Christmas is coming up. What does she do?

6. Alice lends £20 to a friend but they don't pay her back and are ignoring her calls. How does she deal with it?

7. Alice needs a new jacket, and sees one for £75. What does she do?

<b>Dilemma</b>	<b>What could Alice do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

## Example 7: Larry

<b>Background</b>	Larry is 16 yrs old; he is currently in year 11 at school. He is living in supported accommodation and can't live with family anymore.		
<b>Weekly income</b>	£57 through claiming benefit as he is estranged from family.		
<b>Weekly bills</b>	Rent £17.25 (includes utilities), food £25, phone £10.		
<b>Total outgoings</b>	£	<b>Balance:</b>	£

1. Larry went over his phone bill: he owes £15 more than he budgeted.

2. Larry gets offered the opportunity to get an additional work-based qualification and it's free! Larry has to pay the travel costs to the training centre, it's £10 per week for 12 weeks.

3. It's Larry's birthday. Larry receives £20. What does he spend it on?

4. Larry's friends invite him for a night out. It's going to cost him at least £40. What does he do?

5. Larry sees an advert for a payday loan but his friend tells him about the huge interest rates and total cost of paying it back. Larry feels really skint and Christmas is coming up. What does Larry do?

7. Larry needs a new jacket, and sees one for £75. What does he do?

6. Larry lends £20 to a friend but they don't pay him back and are ignoring his calls. How does he deal with it?

<b>Dilemma</b>	<b>What could Larry do and why?</b>
1. Phone bill	
2. Qualification	
3. Birthday	
4. Night out	
5. Pay day loan	
6. Friend's debt	
7. Clothing	

## Teacher's Notes: ask for feedback on one example per group.

Dilemma	Prompts
<p>1. Rob went over his phone bill: he owes £15 more than he budgeted.</p>	<p><b>Income:</b> £56 per week  <b>Outgoings:</b> £30 per week  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• An understanding that it is never a good idea to ignore outstanding bills and that doing so can lead to serious consequences, including court action.</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Rob could approach his provider and ask to pay it back at a fixed amount per week.</li> <li>• Since Rob isn't working he could plan to reduce his car usage one week and pay the lump sum from his petrol money.</li> <li>• Rob could not go out at all one week and pay back a lump sum.</li> <li>• Rob could ask his parents if they will pay it and he can pay them back at £5 per week.</li> <li>• Rob could look for a job to increase his income.</li> </ul>
<p>2. Emily gets offered the opportunity to get an additional work-based qualification and it's free! She has to pay the travel costs to the training centre: £10 per week for 12 weeks.</p>	<p><b>Income:</b> £60 per week  <b>Outgoings:</b> £50 per week  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• It's not always an easy answer when you are living on a tight budget – Emily hasn't got much money spare anyway but doing another qualification could help her get a better job and therefore earn more money in the future.</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Emily could look at whether there is any additional funding or concessions to someone in her circumstances. Some charities will offer funding for positive activity such as this training.</li> <li>• Emily could ask at college whether they had any suggestions about the funding or whether they could offer any similar courses that she could do there using her current travel pass.</li> <li>• As long as it doesn't interfere with her studies, Emily could look at whether she could pick up any additional hours in her part-time job.</li> <li>• If it is safe for her to do so, Emily could look at building bridges with her parents and see whether they have any suggestions/are able to help out.</li> </ul>
<p>3. It's Ian's birthday. He receives £20. What does he spend it on?</p>	<p><b>Income:</b> £340 per week  <b>Outgoings:</b> £275 per week  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• An understanding that because of his qualification leading to a good job (and one potentially with prospects to progress), Ian earns a good weekly wage. This gives him more choices over how he spends his money and because he has some money left over every week, he is probably better placed to respond to any emergencies (such as the phone bill scenario).</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Ian has £65 per week left once he has paid all of his bills so he can spend the money how he likes. He could be saving towards a holiday/deposit for a flat or could just use it towards a birthday night out.</li> </ul>
<p>4. Jane's friends invite her for a night out. It's going to cost at least £40. What does she do?</p>	<p><b>Income:</b> £250  <b>Outgoings:</b> £190  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• An understanding that although like Ian, Jane has some money left once she has paid for her bills, she would need to think about what the baby needs as well as</li> </ul>

	<p>what she wants to do. She needs to clothe the baby as well as herself and babies grow out of clothes quickly whilst they are young.</p> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Jane could be good with her money and put some aside every week to save up for treats/holidays/new clothes/birthday and Christmas presents and she could decide to use some of this money to go out. Because Jane is a tenant of the Housing Association, they may have told her about her local credit union which can help her to save and borrow money.<sup>1</sup></li> <li>• Jane could look at her budget and decide that she has not been out with her friends for a while and she would like to go out. She would need to work out who will watch the baby whilst she is out and whether that would add an additional cost to her night – does she have to pay for a baby sitter or can she ask the baby’s dad/family to baby sit? She may not be able to afford new clothes as well for her night out.</li> <li>• Jane could decide that she will just meet her friends for a couple of drinks earlier on in the evening, that way she may only spend £15/£20. Again, she would need to work out who will watch the baby whilst she is out and whether that would add an additional cost to her night – does she have to pay for a baby sitter or can she ask the baby’s dad/family to baby sit?</li> </ul>
<p>5. Yousif sees an advert for a payday loan but his friend tells him about the huge interest rates and total cost of paying it back. He feels really skint and Christmas is coming up.</p>	<p><b>Income:</b> £217 per week  <b>Outgoings:</b> £80 per week  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• An understanding that although pay day loans can look attractive in that Yousif can get access to money quite quickly, the interest rate he will have to pay back can be significant. According to the BBC (<a href="http://www.bbc.co.uk/consumer/24746198">http://www.bbc.co.uk/consumer/24746198</a> and this dates back to 2013), pay day loans interest rates can be between 1000 – 6000%.</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Because Yousif is able to live at home, his outgoings are relatively low so he has £137 remaining per week. Even if Yousif goes out every week, he should be able to budget his money and regularly save a set amount to cover times such as Christmas. If Yousif has done this, for example with a credit union, they may let him borrow some money back at a much more acceptable rate.</li> </ul>
<p>6. Alice lends £20 to a friend but they don’t pay her back and are ignoring her calls.</p>	<p><b>Income:</b> £300  <b>Outgoings:</b> £240  <b>Looking for:</b></p> <ul style="list-style-type: none"> <li>• An understanding that, although Alice has more money left after she has paid her bills than some of the other characters we have discussed here, she is still on a fixed budget with not a huge amount left over. She will still want the money back and if it was made clear at the time that it was a loan, it is reasonable to expect that it will be returned.</li> </ul> <p><b>Options:</b></p> <ul style="list-style-type: none"> <li>• Alice can talk to her friend face-to-face, explain that she needs the money to be repaid and discuss a reasonable timescale for this.</li> <li>• Alice can choose not to loan her friend any money again.</li> </ul>

<sup>1</sup> It could be worth doing some research in advance to introduce the concept of credit unions, <https://www.moneysavingexpert.com/loans/credit-unions/>

7. Larry sees a new jacket and it costs £70.

**Income:** £57

**Outgoings:** £52.25

**Looking for:**

- An understanding that's it never good to live beyond your means, that certain things take priority over other things especially in supported accommodation. Whereby not paying certain things will put your tenancy at risk.

**Options:**

- For Larry to seek a cheaper more affordable jacket, shopping in alternative shops.
- To attempt to save up money in order to treat yourself.
- Ensuring that all avenues are explored in order to save money, food banks and free school meals if possible.

## Session 2: 5c Optional Exercise

### Budgeting Priorities

Look at the items below and think about them in order of importance. Which would you pay first? Once you have decided put numbers against each heading and explain your reasons why.

Travel

Food

Gas

Going Out

Rent

Service Charge

Water rates

TV Licence

Mobile

Electricity

Takeaways

Clothes

Council Tax

Toiletries

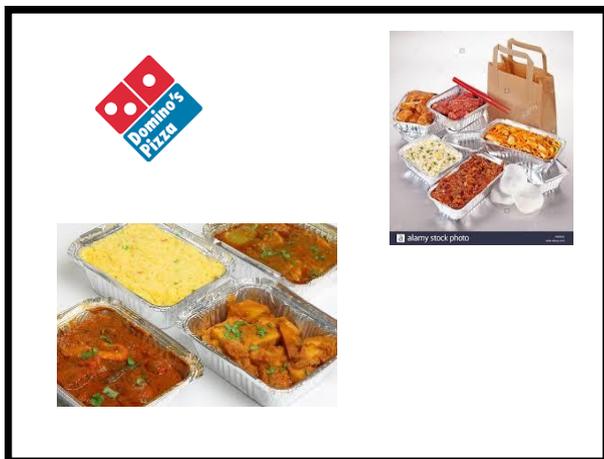
Priority (1 = highest, 14 = lowest)	Reason
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	



Mobile phone £



New Clothes £



Takeaways £



TV Licence £



Going out £



Travel Expenses £



Cleaning Products £



Driving Lessons £



Holidays £



Rent £



Toiletries £



Food Shopping £



£



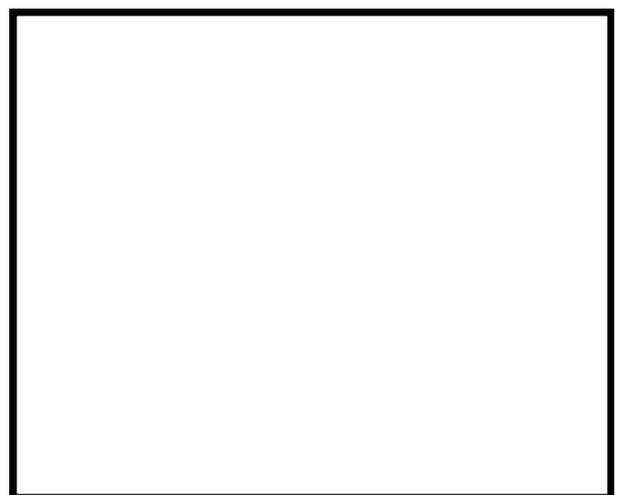
£



£



£



## Session 2 Assessment & Evaluation

	Score (1 = no understanding, 5 = complete understanding)				
<b>Start of lesson</b>	1	2	3	4	5
I have an understanding of the realities of living independently					
I have a deeper understanding of the challenges and benefits of living independently					
I have an understanding of the financial implications of living independently					
I can identify issues to consider before leaving home					

	Score (1 = no understanding, 5 = complete understanding)				
<b>End of lesson</b>	1	2	3	4	5
I have an understanding of the realities of living independently					
I have a deeper understanding of the challenges and benefits of living independently					
I have an understanding of the financial implications of living independently					
I can identify issues to consider before leaving home					

If you have any additional comments about the format or content of the lesson, please complete the box below.