

Pocket Money Management
Playing=Real Life Practice!



Workbook Student on

Budget + Financial Options

POCKET MONEY
MANAGEMENT

BUDGET + FINANCIAL OPTIONS

WORKBOOK STUDENTS

100

*Playing =
time for real Life!*

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At the end of this workbook you will:

- ✓ Be able to define basic terms and relationships of a private financial status / budget
- ✓ Identify free liquidity and over-indebtedness
- ✓ Understand the impact of debt on monthly expenditure
- ✓ Recognize whether financial problems exist and how the economic situation can develop
- ✓ Recognize economically sensible options for action and problem solving

What is meant by Financial Status?

A financial status is a comparison of current income, expenditure, assets and debts!

Guiding question: What is my current liquidity and asset situation?

What is a Budget for?

A budget is a list of planned income and expenditure in a specific period!

Guiding question: What income and expenditure (amount/type) are planned?

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Stay calm and choose your response!

Here's a **Stress Management Exercise** to help you calm down and react wisely:

- ◇ Sit on a chair in a quiet environment and close your eyes.
- ◇ Breathe in deeply through your nose into your belly and breathe out completely through your open mouth. Repeat this one or more times.
- ◇ Now direct your attention to the area between your eyebrows and the tip of your nose and observe your breath. Look with feeling sensation at the air you breathe in and out.
- ◇ Simply concentrate and observe your breath for a while, whatever is happening around you, just keep doing it.
- ◇ ◇ After a while, open your eyes and return to the here and now, wherever you are.

You can use this exercise again and again to calm down, concentrate and center yourself.



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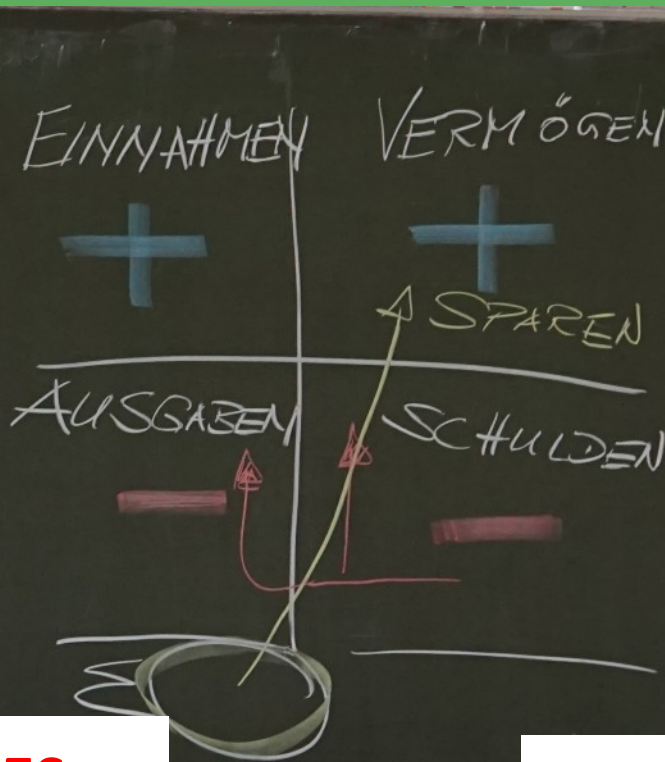
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Important information at a glance!

INCOME

Income is all payments that you receive, i.e. that are paid to you.

These can, for example, be regular monthly payments (salary, child benefit) or irregular (vacation pay).



ASSETS

Private assets include all your property; e.g. financial assets (cash, shares) and tangible assets (real estate and household effects). Valuing household goods is difficult; think of your favorite pair of jeans, how much are they worth to others?

EXPENSES

Expenses are all payments that you make, i.e. are paid by you.

These can be regular monthly payments (rent), irregular payments (coffee, cinema) or one-off payments (repairs).

DEBTS

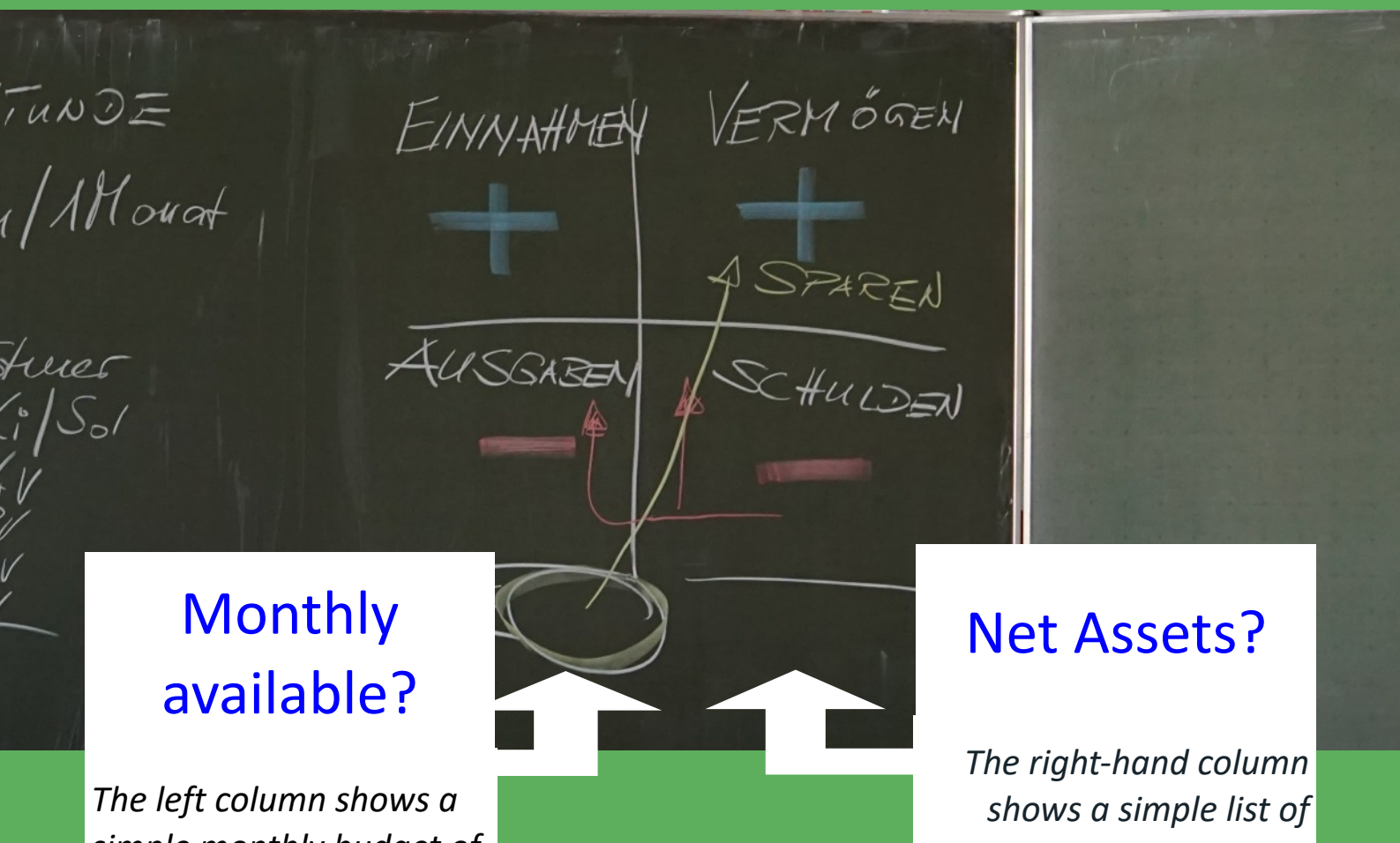
Debt is created when you buy something for which you currently have no money and/or prefer to take out a loan.

- Loans often have high interest rates and therefore have to be repaid at great expense
- Repaying debts can significantly increase your monthly expenses

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What's left after taxes and expenses?



Monthly available?

The left column shows a simple monthly budget of income and expenditure!

Here you can also see whether there is anything left of the monthly income after paying the current expenses!

Net Assets?

The right-hand column shows a simple list of assets and debts!

Here you can see whether your net assets are positive or negative. If your debts exceed your assets, you are over-indebted!

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D2 - Emma and Ben have moved into a small apartment together and both have a good income. Their **motto** is *"We live and celebrate today. We can always save later!"*

Examine their financial situation:

- Is there anything left over each month?
- Can they save money?
- Do they have debts? Are they over-indebted?
- Do they have cash reserves?

**Emma
+ Ben**

Examination

Duration: 10 min

Income		Assets	
Emma	\$ 1.397	Emma	\$ 550
Ben	\$ 1.517	Ben	\$ 480
Expenses		Debts	
Rent	\$ 480	Furniture	\$ 3.800
Add. Costs	\$ 140	Car	\$ 2.650
Food/Tea	\$ 450	Vacation	\$ 1.250
Install. Debts	\$ 450		
Party	\$ 250		
Gas/Ins.	\$ 250		

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D3 - Ben has lost his job and had a car accident.

Luckily, Ben found a new job quickly, but he will be without income for a month and will have \$200 less income/net. A friend can fix the car, but there is still \$900 to pay.

Examine and adjust their new financial situation:

- Can they manage without Ben's income for a month? How?
- Can they pay for the car repairs in cash?
- What will be the joint income with Ben's new job?

**Emma
+ Ben**

Examination

Duration: 10 min

Income		Assets	
Emma	\$1.397	Emma	\$1.550
Ben	\$1.517	Ben	\$ 980
Expenses		Debts	
Rent	\$ 480	Furniture	\$ 2.800
Add. Costs	\$ 140	Car	\$ 1.650
Food/Tel	\$ 450	Vacation	\$ 750
Install. Debts	\$ 450		
Party	\$ 250		
Gas/Ins.	\$ 250		

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D4 - Hanna und Leon have moved into a small apartment together and both have a good income. Their **Motto** is „We want to have all the options and save for reserves to remain flexible!“

Examine their financial situation:

- Is there anything left over each month?
- Can they save money?
- Do they have debts? Are they over-indebted?
- Do they have cash reserves?

**Hanna
+ Leon**

Examination

Duration: 10 min

Income		Assets	
Hanna	\$ 1.340	Hanna	\$ 820
Leon	\$ 1.381	Leon	\$ 640
Expenses		Debts	
Rent	\$ 540	Rental deposit	\$ 960
Add. Costs	\$ 190		
Food/Tei	\$ 520		
Party	\$ 250		
Gas/Ins.	\$ 250		

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D5 - Relocation and Higher Education

Hanna has been offered a new job in another city with good career prospects and a 10% salary increase. They both move; additional costs 2500 \$.

Leon is doing a year of training from home, working part-time and earning half as much.

Examine and adjust their new financial situation:

- What will their joint income be after the move?
- Can they manage their living costs on half of Leon's income?
- How can they pay the moving costs?

**Hanna
+ Leon**

Examination

Duration: 10 Min

Income		Assets	
Hanna	\$ 1.459	Hanna	\$ 4.550
Leon	\$ 760	Leon	\$ 2.980
Expenses		Debts	
Rent	\$ 540	Rental deposit	\$ 960
Add. costs	\$ 190		
Food/Tea	\$ 520		
Party	\$ 250		
Gas/Ins.	\$ 250		

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Evaluation Questionnaire *Budget + Financial Options*

Your Rating

- 1. My expectations for the lesson were met.
- 2. The topic is important for now and my ,later' life.
- 3. A Budget for a private household and the Key points were sufficiently explained.
- 4. The teachings are very applicable to my private life.
- 5. It is important to make financial decisions calmly and with foresight, especially in stressful situations.
- 6. Financial reserves are essential for emergencies and unforeseen events.
- 7. My questions and objections were answered.
- 8. The workshop provided space for discussion and different opinions.
- 9. It was quite interesting to find solutions to economic problems together.
- 10. The workshop motivated me to apply the content presented in my private life.
- 11. Also important to me would be:





Taschengeld Management
Spielen = Training für den Alltag!

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Part A - Expenses

Part B - Advertisement/Consumption

Part C - Income + Saving

Part D - Budget + Financial Options

Part E - Play Financial Basics



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