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WHAT IS THE CONTENT OF THE MODULE 1: HOUSEHOLD BUDGETING

TOPIC 1. OUR INCOME

TOPIC 2. NEEDS VERSUS WISHES

TOPIC 3. HOW TO MAKE YOUR HOUSEHOLD BUDGET?

TOPIC 4. THE IMPORTANCE OF GOOD SPENDING HABITS

TOPIC 5. SHOPPING PRACTICES

TOPIC 6. CONTROLLING SPENDING





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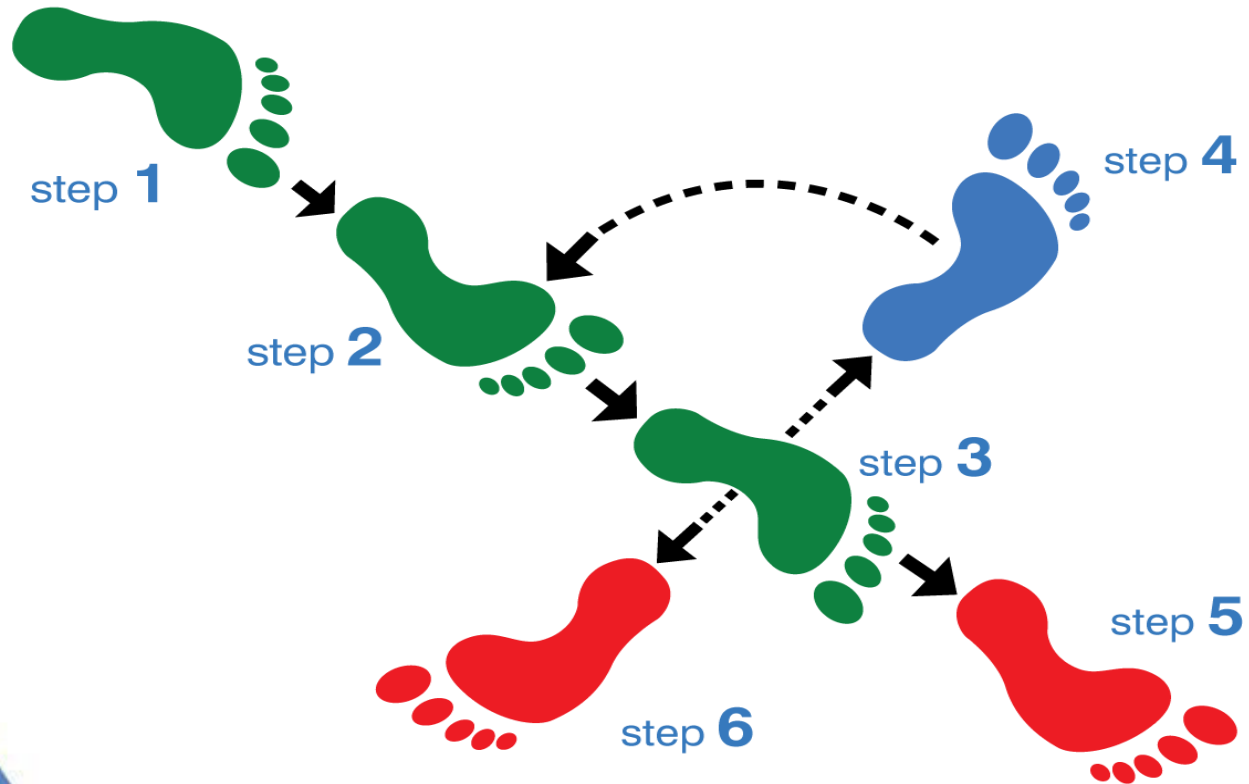


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3+3 steps Clever Path





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- What regular income do I have?
- What extra income can I get?

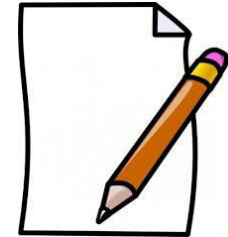


TOPIC 1. OUR INCOME

What you think about
when you hear the word
income?

... and when
you hear the
word *budget*?





SUMMARIZING YOUR INCOMES

How much do you actually have at disposal every month?

(Exercise 1a – task 1)

SOURCE OF INCOME	MONTHLY INCOME (SUM)
1.	
1.	
...	
TOTAL MONTHLY INCOME:	(1+2+...)



SUMMARIZING YOUR HOUSEHOLD INCOMES

How can I increase monthly incomes? How can we earn more at the level of household?

(Exercise 1a – task 2)

SOURCE OF INCOME	Monthly income (sum) - ME	MUM	DAD	SISTER/ BROTHER... (add as much columns as needed)
1.				
1.				
...				
(add as much rows as needed)				
	MY TOTAL INCOME:	MUM'S TOTAL INCOME:	DAD'S TOTAL INCOME:	SISTER'S/BROTHER'S TOTAL INCOME:
TOTAL MONTHLY INCOME FOR THE HOUSHOLD:	ME+MUM+DAD+SISTER/BROTHER...			



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SUMMARIZING YOUR INCOMES



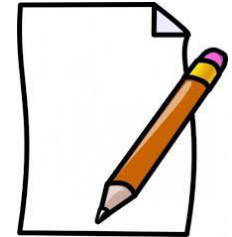
Regular



Irregular



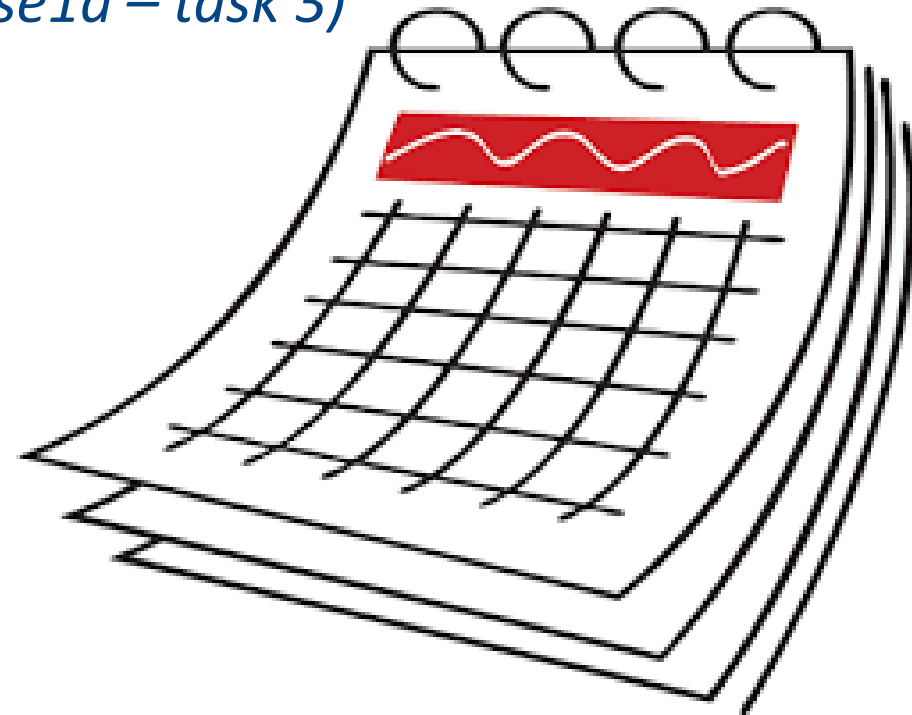
SUMMARIZING YOUR INCOMES



DISTINGUISHING REGULAR AND IRREGULAR INCOMES

(Exercise 1a – task 3)

Which of the incomes listed are regular?



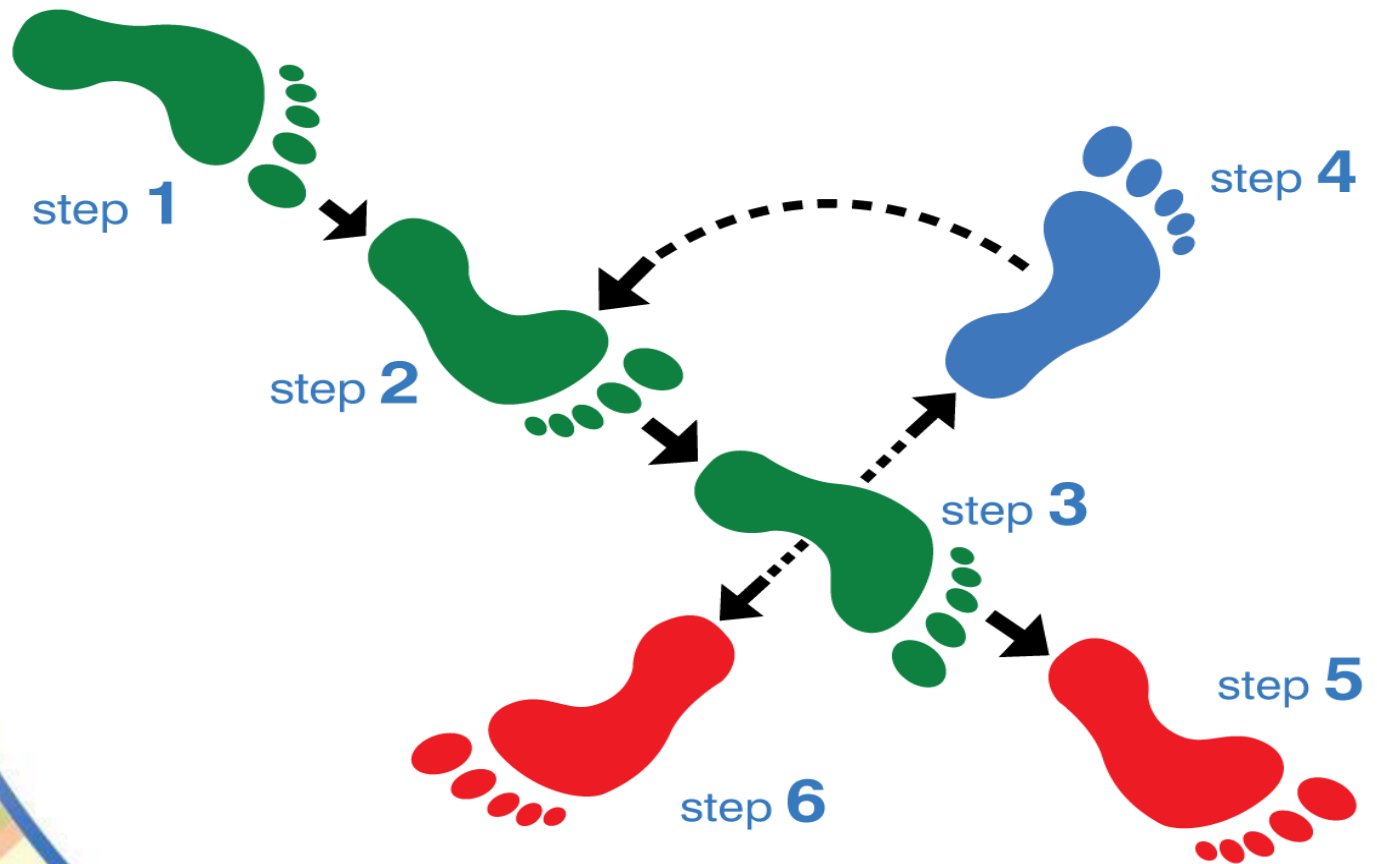


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step
2

- **What do I need to buy?**
- **How much can I spend?**



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- Do I have enough money to cover all expenses?
- Will there be any money left?
- Can I reconsider my purchases?



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TOPIC 2. NEEDS VERSUS WISHES

*How do we spend?
(Exercise 1b)*





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TOPIC 2. NEEDS VERSUS WISHES

Let us reflect again on the total sum of the income and the sum you consider available for spending.



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Can you give examples of **NEEDS** and
WISHES?

We need...

I want...

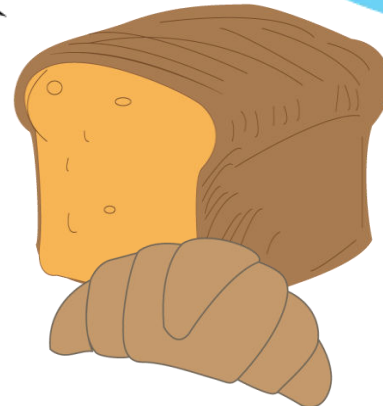
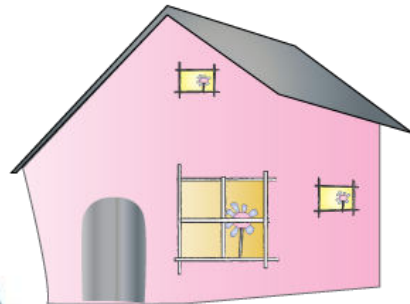
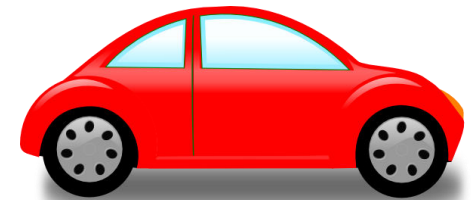




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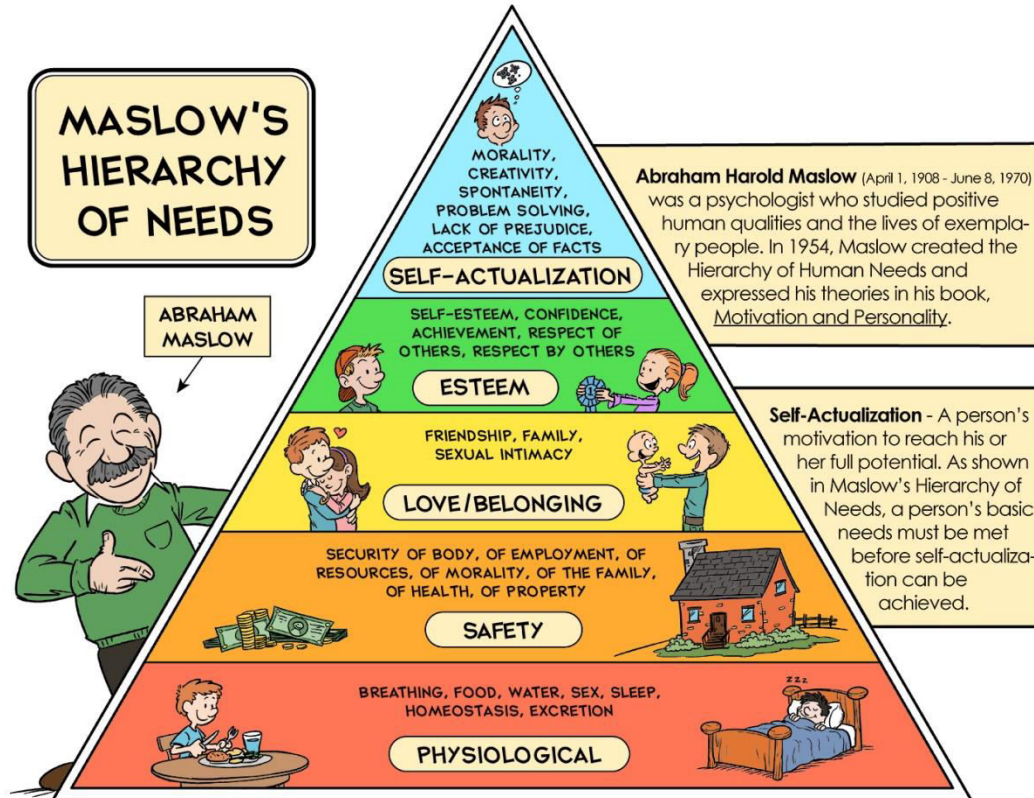
Can you distinguish between **NEEDS** and **WISHES**?
Let us discuss it!





MASLOW'S HIERARCHY OF NEEDS

ABRAHAM MASLOW



Abraham Harold Maslow (April 1, 1908 - June 8, 1970) was a psychologist who studied positive human qualities and the lives of exemplary people. In 1954, Maslow created the Hierarchy of Human Needs and expressed his theories in his book, *Motivation and Personality*.

Self-Actualization - A person's motivation to reach his or her full potential. As shown in Maslow's Hierarchy of Needs, a person's basic needs must be met before self-actualization can be achieved.

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NEEDS

... are related to broad categories of products/services, i.e. different offerings can satisfy one need.

WISHES

... are determined more precisely – they correspond to a specific product/service or even a brand.



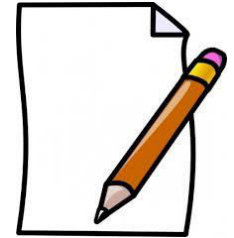
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Differentiating needs and wishes (Exercise 1c)

List down the needs and wishes mentioned in the role-play.

NEEDS	WISHES
1.	1.
2.	2.
3.	3.

Satisfying needs and wishes (Exercise 1d)

The items and their classification boxes are as follows:

- Milk carton: **need?** (green), **wish?** (red)
- Vegetables (eggplant, peppers, tomato): **need?** (green), **wish?** (red)
- Roast chicken: **need?** (green), **wish?** (red)
- Croissant: **need?** (green), **wish?** (red)
- Cigarettes: **need?** (green), **wish?** (red)
- Apparel (dress, shirt, pants, boots, shoes, bag): **need?** (green), **wish?** (red)
- House: **need?** (green), **wish?** (red)
- Lightbulb: **need?** (green), **wish?** (red)
- Car: **need?** (green), **wish?** (red)



TOPIC 3. HOW TO MAKE YOUR HOUSEHOLD BUDGET AND HOW TO AVOID BUDGETING DRAWBACKS

After knowing how much money you earn per month, make a list of necessary expenses you have each month.



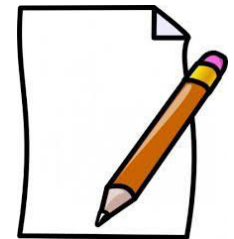


TOPIC 3. HOW TO MAKE YOUR HOUSEHOLD BUDGET AND HOW TO AVOID BUDGETING DRAWBACKS

- 1. Expenses which do not occur monthly, but are regular.**
- 2. Unexpected expenses.**



Composing preliminary household budget (exercise 1e)



	Amount
Total household income	
<hr/>	
Type of expenses	Sum
Home-related expenses: Rent/loan installment	
Monthly bills:	
electricity	
heating	
telephone	
Internet...	
Expenses related to children's needs (school, special food etc.)	
Regular shopping:	
Groceries	
Toiletries / Cosmetics	
Transport costs (gasoline, car maintenance, car insurance or bus ticket etc.)	
Clothing	
Medical treatments	
entertainment, vacation	
... (add rows if needed)	
TOTAL:	
<hr/>	
THE DIFFERENCE BETWEEN INCOME AND EXPENSES	



- *Strengths of household budgets*
- *Problems identified and ideas for resolving them.*

Step
1





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Budgeting drawbacks





TOPIC 4. THE IMPORTANCE OF GOOD SPENDING HABITS

1. Start from your budget.
2. Record your expenses daily, appointing them to the right category.
3. Subtract the sum from the money available each time you spend on something.
4. Avoid debts.
5. Revise budget from time to time.
6. At the end of the month, adjust budget for the next month.



TOPIC 4. THE IMPORTANCE OF GOOD SPENDING HABITS

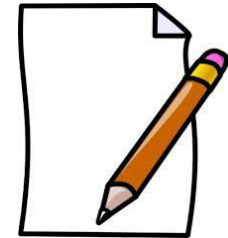
Revise your household
monthly spending list and
mark the problematic
expenses

1. ~~cigarettes~~
2. meat
3. electricity
4. Cloths for the children



TOPIC 4. THE IMPORTANCE OF GOOD SPENDING HABITS

Track spending (exercise 1f)

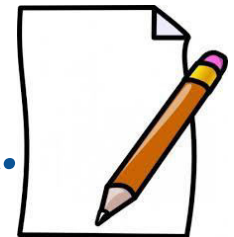


Additional expenses:	Sum
TOTAL:	
The result of the household budget (from the previous exercise, 1h)	_____
Additional expenses	-



Revising the spending towards wiser spending decisions and good spending habits (exercise 1g)

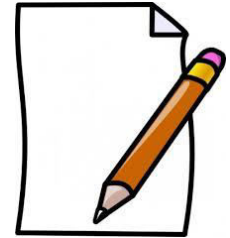
Think about your expenses last week.



Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday	
Item	Cost	Item	Cost	Item	Cost	Item	Cost	Item	Cost	Item	Cost	Item	Cost
... (add as many columns as needed)													
Daily total:													
Weekly total:													



Do your homework.



***Revising the spending – towards wiser
spending decisions and good spending habits
(exercise 1h)***





1. *Which expenses you think are problematic? Why?*
2. *How to take care of these expenses – which should be cut off, decreased or divided? How?*





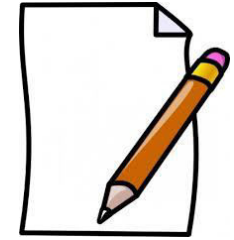
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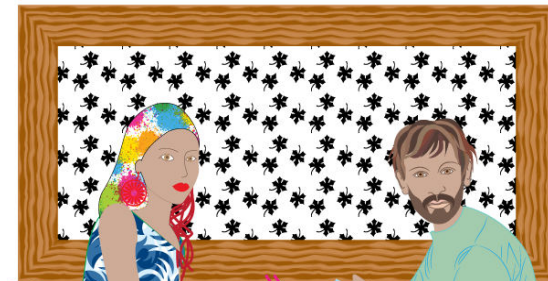
Large vs. small shops (exercise 1i)





Composing a shopping list (exercise 1j)

- List
1. _____
 2. _____
 3. _____
 4. _____
 5. _____





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Have in mind:

- The real price per unit such as kilo, litre, piece.
- The quality, durability and other specifics of items.





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Using opportunities to shop wisely (exercise 1k)

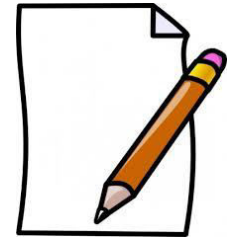




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Simulation of shopping practices (exercise 1)



What should I choose?





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Reducing spending (exercise 1m)

Can I reduce my expenses?

Maybe you should try...





QUESTIONS FOR ASSESSING THE COMPREHENSION OF MODULE 1:

- 1. Explain the difference between regular and irregular incomes. Give some examples of irregular incomes.*
- 2. Which types of needs do you know? (optionally according to Maslow's hierarchy)*
- 3. What is the difference between needs and wishes? Explain.*
- 4. Give some example of household expenses.*
- 5. Explain the importance of household budgeting.*
- 6. Why is it important to track spending? Explain.*
- 7. Do you know some good shopping practices that ensure wiser spending?*
- 8. Do you prefer shopping in small or large shops? Why?*
- 9. How would you explain "value for money"? Give some example.*
- 10. Give some examples of actions that can be used to reduce spending.*