

Sione's New Life

Key financial ideas

- ★ A budget is a plan for spending wisely. A budget is also the amount of money set aside for a purpose.
- ★ People on limited or fixed budgets need to make realistic financial decisions from a range of choices.

You need

- ★ a calculator
- ★ newspapers and/or Internet access
- ★ a price list – optional (see copymaster)
- ★ a classmate

Activity



I'm a university student. I'm living at home with Tavita and Kalala, but I want to go flatting with two of my friends. I'm hoping to use Granny's \$2,000 to cover my start-up flatting costs. My part-time job should cover the ongoing costs.

- 1 Discuss with a classmate what start-up costs of going flatting might be.
- 2
 - a. With your classmate, look at the items on your copy of the price list or do your own investigation of what you'd need and how much the items might cost. Make a new list, putting the items under these headings:
 - needs
 - wants
 - shared purchases (for example, washing machine).
 - b.
 - i. Choose items for Sione to purchase. Remember to stay within his \$2,000 budget.
 - ii. Based on your list, how much money does Sione have left from his original \$2,000?
- 3
 - a. Which items could Sione save a lot of money on by buying them second-hand?
 - b. Research in newspapers and on the Internet to find household items at second-hand prices.



Reflective questions

- ★ If you are living at home, what costs might you or your parents be paying?
- ★ If it's cheaper to live at home, why do people want to go flatting?
- ★ If you visit someone's flat, what might your visit cost the people in the flat?