

Jed's balancing act – volunteer information sheet

You can use this information to help to guide the discussion.

The cost of Jed living with his friend is set out below, based on the information in his diary.

This is compared to living at home with his parents, which would cost £200 plus travel (£100), clothes and socialising (£320).

Jed's income	What comes in	Jed's expenditure per month	What goes out
Trainee online game developer Monthly income (net pay)	£1100.00	Rent	£300.00
		Council Tax	£75
		Water	£10
		Gas/Electric (dual fuel)	£30
		TV package/broadband/ mobile phone	£45
		TV licence	£7.50
		Contents insurance	£30
		Food/shared consumables	£130
		Socialising	£200
		Travel	£100
		Clothes	£120
		Savings	
Total	£1100.00	Total	£1047.50

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Answers/discussion points

- How much will it cost Jed each month to live independently? **£1047.50**
- How much does it cost Jed each month living at home? **£620**
- How much more is it than living at home? **£1047.50 - £620 = £427.50**
- Can he afford to live independently? **Yes, but only just and there is hardly any 'wiggle room'.**
 - Has he got spare money for any unexpected costs, such as repairing his bicycle?
 - What happens if the rent increases? (Assuming that his income doesn't change)

Is Jed managing his money well?

He has thought about it and done his research, but he has not checked if he is spending too much on socialising and those non essential items.

- What if he is tempted to spend more on socialising now that he is living away?
- Is there anything he hasn't thought of? **Jed has no savings.**
 - Did any of the young people add savings into Jed's budget?
 - Why are savings so important?

What might happen to Jed if an unexpected expense occurs, e.g. he needs some new computer equipment or he loses his job?

He also needs to think to the future:

- He might want to buy a place on his own one day, so he'll need to start saving for a deposit while he is still renting.
- He might want to do some more training, even go back to college perhaps.
- He might want to go traveling or buy a car.

What does Jed need to do in order to make success of living away in the longer term?

- Spend less of his income each month and save some as a safety net.
- Continue to shop around for better deals next time things are due – for example gas and electricity costs, or insurance.
- Eat out less and cook more which can be cheaper.
- Explore further career opportunities, which may lead to an increase in income.
- Potentially consider getting a part-time job to supplement his income.