

Budgeting Exercise: Patrick



Name: Patrick
Age: 41
Occupation: Debt-advice worker
Home: Widower who lives with his son Sean (12) and daughter Amy (9) in a semi-detached house in Enniskillen.

Likes:

- Spending time with the kids
- Cycling
- Swimming

Dislikes:

- Household bills
- Not having enough time to relax and go out
- Inconsiderate motorists

Patrick has really noticed the price of food and other household bills going up and he's feeling the strain.

To add to his anxieties, Sean, his 12 year-old, has been pestering him about a school ski-trip that "all his friends are going on". This will cost £1,000 plus spending money and skiing gear and equipment. Patrick has researched the trip and worked out he'd need to find £1,500 in total.

Activity One – Should downhill ski mean an uphill struggle?

For discussion

Q. Is Patrick right to do all he can to enable Sean to go on the trip? Consider what this will mean for the family. Will they have to do without certain things? Is this fair on Amy? Justify your opinions.

Patrick is keen for Sean to be able to go on the skiing trip but this will mean finding savings in their monthly outgoings. It's September now and the skiing trip is at the end of February, so that only gives six months to save.

Q. How much will Patrick (*and Sean!*) need to put aside each month? (**£250**)

Q. How much does this work out at a week? (**£62.50**)

Q. Which potentially expensive 'event' happens two months before the skiing trip that they'll need to bear in mind? (**Christmas**)

Q. Would it be sensible to leave December out of the months in which to save and calculate everything based on 5 months? (**i.e. £1500 divided by 5 = £300 per month divided by 4 = £75 per week**)

Activity Two – Exploring the weekly food shop

As a debt-advice worker, Patrick is used to helping clients draw up a budget, but it's been a long time since he's done one for himself!

The weekly food shop is the first place Patrick looks at for ways to save money.

In pairs or small groups, look at the family's shopping list - **Appendix A**.

Q. How Patrick could cut the cost of his food bill

Possible answers:

Choose supermarket own brands.

Buy larger pack (although this doesn't always mean the unit price will be cheaper if you buy in bulk).

Do more home cooking and ditch the expensive ready meals.

Use a shopping comparison website.

These ideas are explored further in the next activity.

*N.B. There's more money saving tips taken from the Consumer Council website in **Appendix B**.*

Activity Three – Cutting costs at the supermarket

1. Price comparison

The price comparison website *mySupermarket.co.uk* <http://www.mysupermarket.co.uk> enables consumers to see where they can make savings by shopping around.

Start by entering your shopping list for one supermarket e.g. Sainsburys then hit the 'Swap & Save' function to see how shifting to another brand, making use of special offers or buying a different pack size will cut the cost of your shopping bill. It will also show you how much your shopping would cost if you shopped at a different supermarket.

If students have access to the internet, they can log onto mySupermarket and enter the details from Patrick's shopping list to see how much he could save. **(When we tried this, we found we could save Patrick £27).**

N.B. You will need to register on my Supermarket by setting up a username and password. This can be done quickly and easily.

2. Downshift challenge

Martin Lewis at www.moneysavingexpert.com estimated that if you dropped a brand level on every item in your usual shopping list, you'd cut food bills by a third. If the weekly shop cost £100 this works out as £1,700 less spent per year.

- Q. Find out the price difference between the 'well-known' brands, supermarkets' own brands and the cheaper ranges of the following items taken from Patrick's list.

Use www.mysupermarket.co.uk or visit the local supermarket to complete this exercise.

Item	Brand level	Cost
8 x thick pork sausages (454g)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	
Cheese and tomato 12" pizza (495g)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	
Cola flavoured fizzy drink (1.25L)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	
Squeezy tomato ketchup (570g)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	
High fibre sultana flakes (500g)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	

Chocolate digestive biscuits (300g)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	
Non biological washing powder (4.25kg)	Supermarket premium range	
	Well-known manufacturer	
	Supermarket own-brand	
	Cheaper or 'basics' range	

Note: It may not be possible to find an exact match across each of the brand ranges. Ask students to make a note where they have had to find the nearest equivalent.

Q. If a person normally bought the supermarket's premium range goods and dropped to the cheaper or 'basics' range for each of the items, how much could they save a week?

3. Taste test

Instructions

Choose one or more of the following items for students to try in a blind taste test. Try to buy the premium, well-known, supermarket own and basic version, all from the same supermarket:

Thick pork sausages – cooked and cut into bite-size chunks
 Cola
 Tomato ketchup
 Sultana or bran flakes*

Remember: It's essential you remove all packaging which would give students a clue about which is the more costly brand. As Martin Lewis says, "taste with your mouth, not your eyes".

Using post-it notes marked with a large 1, 2, 3 (and 4 if you have that many options to try), students put their '1' next to their favourite, '2' by the next and so on.

Q. Is there a consensus about which was the best, or was opinion divided?

Q. What does this tell you?

In his downshift challenge, Martin Lewis recognises that you can't compromise on some things. The example he uses is toilet paper, saying his bottom definitely prefers the smoother kind!

Even so, if the average family only dropped a brand on the items where they can't tell the difference in terms of quality or taste (most only notice the difference on around half the shopping), they could still save £800 per year.

Finally, people shouldn't assume downshifting is worse nutritionally. As Martin points out, often lower cost products can be better as there are fewer flavourings, colourings and preservatives.

Extensions Activity

* Ask the class to consider whether it's better to buy the cheaper flakes and add your own dried fruit and/or nuts. Would this be more cost effective?

N.B. Supermarket product placement means that nuts and dried fruit will be cheaper in the home baking section rather than the snacks aisle or near fresh fruit and veg.

4. Ditch the ready meals

Patrick tends to buy a lot of pre-prepared meals because they're convenient and it means he can spend more quality time in the evenings with Sean and Amy.

It also means there's less washing-up and it's also quite handy if they're eating at different times, for example on nights where Sean has football practice or Amy goes to Brownies.

Q. What are the possible downsides of buying pre-prepared food and ready meals?

Possible answers:

They're often more expensive, especially when feeding a family of three.

You have less control of what goes in them – (although many manufacturers have now taken on board the healthy eating message to produce more nutritious ranges).

Portion sizes can be too small so you have to buy extra.

Packaging can sometimes be misleading. Not all products labelled 'healthy', 'low fat' or 'diet' are actually better for you than ordinary ready meals.

N.B. Nutritionists stress the importance of adding your own vegetables or salad to ready-prepared meals. Salad, vegetables, bread or rice take little

time to prepare but can add vital balance, as well as fill you up when portions are small. This will help to avoid snacking later that evening.

Patrick chats to his neighbour Margaret who lives next door and sometimes helps out with babysitting. She suggests he tries to get into the habit of cooking a big batch of meals say once or month or at the weekend. These can then be kept in the fridge or freezer and used during the week.

He likes this idea and sees that it's something he could get the kids involved with too.

Q. What recipe ideas could he start with?

Q. What other benefits might be there be to this plan?

Extension Activity

Q. Work out the price difference between a ready meal cottage pie (1.5kg) and a home-made version.

Q. Consider the number of portions you would get from the 1.5kg shop bought pie and the home-made one.

Q. Is the home-made version healthier? Why?

Help with meal planning and recipes ideas

<http://www.nhs.uk/Tools/Pages/5aday.aspx>

http://www.netmums.com/food/Budget_meal_planner.2849/

http://www.netmums.com/food/Cooking_with_kids.419/

<http://www.goodtoknow.co.uk/recipes/266969/Credit-crunch-weekly-meal-planner>

See also **Appendix C** – for 'Feed the freezer' cooking tips

5. Vouchers and loyalty schemes

Savvy consumers can make significant savings by signing-up to loyalty schemes and making use of their vouchers.

Q. Research a loyalty scheme for either Sainsbury's or Tesco.

Q. What are the benefits and how do you get maximum value from these schemes?

Q. Why do supermarkets run loyalty schemes?

For more information on loyalty schemes as a marketing tool visit:

<http://www.bbc.co.uk/learningzone/clips/loyalty-card-background/6412.html>

Activity Four – Other areas to save money

Show students the 'Recession Session' PowerPoint presentation which can be downloaded from:

<http://www.consumercouncil.org.uk/filestore/documents/Recession%20Session%20How%20to%20save%20thousands.pdf>

Q. Compile a list of priority actions for Patrick to look into e.g.

- Shopping around for insurance
- Switching to Direct Debit
- Check he's getting all the benefits that the family is entitled to

Q. What money-saving actions can Amy and Sean help with?

- Turning off lights
- Switching off appliances (rather than keeping on stand-by)

Q. Look at the flyer in **Appendix D** and explain how each of the advertisements might benefit the family.

Possible answers:

Cable Company Ltd: Patrick might discover that switching his telephone and broadband supplier could save him money.

Fitness & Fun: The family already enjoy swimming and could benefit from discounts at the local pool. Also, if they have to cut down on some treats, they could make up for it by starting new leisure activities.

Lorenzo's: Could provide an inexpensive family treat once every couple of months.

Daley's Newsagents: Sean could earn £18 per month = £108 in six months to go towards spending money and equipment for the ski trip.

Second Best: They may be able to find some good second-hand skiing gear for Sean. As he'll only be wearing it once, does it have to be brand new? They may also find some bargains for everyday wear.

Home Movies: They might feel the need to cut back on cinema trips, so this DVD offer could help to make up for it.

Extension Activity

Students can collect more energy saving tips to help cut household costs by visiting www.ecoworld.org.uk and playing an interactive game in Eco's virtual world.

APPENDIX A

Shopping List

Bakery		
1	Medium sliced soft white bread (800g)	1.20
3	Brown snack rolls (6)	2.97
1	Plain bagels (4)	1.00
Fruit and Veg		
1	Fair-trade bananas (6)	1.39
1	Braburn apples (5)	2.00
1	1kg carrots	1.00
1	Maris Piper potatoes (2.5kg)	2.58
Dairy and Eggs		
1	3 litres semi skimmed milk	1.88
1	Spreadable butter (500g)	2.09
1	Assorted fruit corner yoghurts (6 x 175g)	3.29
2	Children's' yoghurts (4 x 90g)	2.98
Meat, Fish and Poultry		
1	8 x thick pork sausages (454g)	1.68
1	2 pack chicken and broccoli crisp-bakes (180g)	1.25
Frozen		
1	Fish fingers (30 per pack – 840g)	4.58
2	Chicken nuggets (760g)	5.00
1	Lightly spiced potato wedges (750g)	1.64
1	Yorkshire puddings (16 per pack – 490g)	1.89
1	Family-size chicken pie (680g)	2.99
1	Chicken curry with rice (400g)	1.00
1	Deep fill steak and kidney pie (800g)	3.00
1	Vegetable lasagne (400g)	2.00
Ready Meals		
1	Cottage pie (1.5kg)	5.00
2	Cheese and tomato 12" pizza (495g)	2.00
Tins, Jars and Cooking		
1	Pure vegetable oil (3L)	3.94
1	Mayonnaise (600g)	2.75
1	Squeezy tomato ketchup (570g)	1.99
1	Orange marmalade (340g)	1.09
1	Strawberry jam (340g)	1.34
1	Jar of caramelised onion gravy granules (200g)	1.44

Packets and Cereals		
1	Krispie rice cereal (600g)	2.68
1	High fibre sultana flakes (500g)	1.87
Snack and Sweets		
1	Chocolate digestive biscuits (300g)	1.39
1	Chocolate coated biscuit bars (9 x 16g)	1.28
Drinks		
1	Instant coffee granules (200g)	5.49
1	Decaffeinated tea bags (80 per pack – 250g)	2.38
1	Cola flavoured fizzy drink (1.25L)	0.99
1	Orange squash with no added sugar (1L)	1.09
Household		
1	Lemon scented all-purpose cleaning liquid (500ml)	1.20
1	Fabric conditioner (3L)	6.20
1	Non biological washing powder (4.25kg)	12.00
1	Toilet rolls (9 per pack)	3.73
	TOTAL for 40 items	105.26

APPENDIX B Money saving tips for shopping

Don't go shopping when you're hungry!

Go prepared – Try to pre-plan your meals so that you're only getting the things you really need. Once you've planned your meals, make a shopping list and stick to it.

Go solo– leave the kids at home if you can. This avoids those surprise purchases appearing in the trolley and cuts out “pester power” that can add to your shopping bill.

Go together -If “three for two” and “buy one get one free” offers leave you with food you can't use, why not split it with a friend and share the food at half the price.

Get a rain check voucher- If an item on special offer is out of stock, many supermarkets will give you a voucher for the same deal later on when the item is back in stock.

Bargain hunt – check out clearance shelves but don't be fooled by the special offer deals at the end of the aisles - it's only special if you really need it in the first place

Every penny counts - buy food that has been reduced as it reaches its sell-by date and use it for making soup and stews for freezing.

Be a night owl - Shop later in the evening when some fresh food prices are reduced.

Waste not, want not - every year, we throw out £420 worth of food^[2], so try to cut down waste where you can by trying out new recipes using leftovers. For inspiration, visit www.beyondbakedbeans.com/articles/20080709.

Shop online - Shopping online can help you avoid the temptation of buying things you don't really need. You can also make use of special offers that only apply to online shopping and while you pay for delivery, you'll save on petrol or public transport.

Small is beautiful – Instead of doing a big weekly shop, try shopping more often for small amounts, so your food won't go off before you've had a chance to eat it.

Source: www.fool.co.uk

Stash your coupons - Look out for discount coupons or vouchers in the press. Make sure you check their use by dates. Remember though, it's only a bargain if you need that item in the first place.

Bring a packed lunch to work – this could save you around £991.20^[3] per year and it's a good way to use up leftovers.

Green fingers? – Why not try growing your own indoor or outdoor vegetables.

Ready steady cook - Ready meals are easy and fast but preparing your own food saves money and can be better for you. Visit your local library or try the internet for recipe ideas and cooking advice.

Go to market – Check out the prices of fruit and vegetables at your local market. You can buy exactly the amount you need, there will be less packaging and you're supporting local business.

^[1]Food prices are based on average NI spend on food from Family Spending Survey 2007 and research from mysupermarket.co.uk on percentage price increase on 16 September 2008 of a basket of 24 staple food items. Not updated since 16/9/08

^[2]WRAP Waste and Resources Action Programme, www.wrap.org.uk May 2008

^[3]Based on buying a filled sandwich £2.50, crisps £0.32, banana £0.40 and diet fizzy drink £0.91, 5 days a week, 48 weeks a year.

Source: <http://www.consumercouncil.org.uk/cost-of-living-consumer-tips/food/?keywords=shopping+basket>

Appendix C – Feed the freezer cooking tips

Time and Planning

Plan ahead and choose a day to spend cooking meals to store in your freezer. Plan which meals you wish to freeze and in what order you are going to cook them.

Ingredients

Make a list of ingredients that you require for all the recipes and stock up before your planned day of cooking. Purchase fresh vegetables, meat and other goods the day before. Do not use part of your cooking day for shopping unless you want to be cooking late into the night!

Oven Space

Save time and energy by checking if the recipes you want to cook have similar oven temperatures? Make sure the meals go in the oven together and note what time they have to be removed as this may differ.

Storage

Check out how many containers you have for storing food in your freezer. Ideally they should all stack on top of each other tidily and have well fitting lids. In real life we all keep odd shaped boxes and retain ice cream tubs and other food containers. This is a cheap way of storing food but check that the boxes can be defrosted in the microwave.

Labels

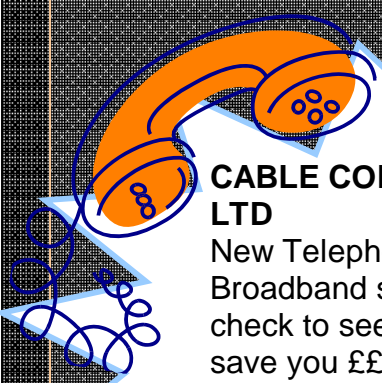
Label all containers before placing them in the freezer. Show what the contents hold and the date they were cooked and frozen.

Store Cupboard

Once your freezer is packed with meals make a list of accompaniments to these meals. You may choose to have fresh vegetables but if you have another (tinned or frozen) variation you will be covered for days when you do not wish to cook or run to the shops for fresh produce.

Record

Keep a record of what you have in your freezer and also its use by date just in case the labels fall off your containers. Food will not live indefinitely in your freezer but, if you cook all meals for the month ahead it will make sense that when next you have a freezer cooking day you move all remaining frozen meals to the top of the freezer and use them first.



CABLE COMPANY LTD
New Telephone and Broadband supplier – check to see if we can save you ££££££'s



FITNESS & FUN

Discounts on family swim sessions, badminton and kids trampolining.

Contact your local leisure centre to find out more.



Early Bird Menu and Family Friendly Discounts

Lorenzo's Italian Diner invites you to eat out for less if you place order between 5.00pm -6.30pm Mon-Thurs.



Treat yourselves without breaking the bank.


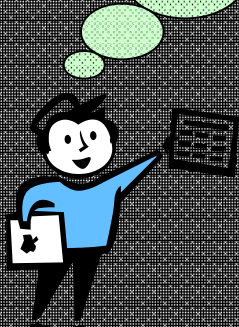
~SECOND BEST~

Second-hand clothes and sportswear shop, new to the high street.

Men and womens' casual and work wear, kid's clothes, coats, ski jackets, jeans. All top brands!!!



Daley's Newsagents urgently need a paper boy or girl for Saturday morning deliveries (1.5 hours). **Must be reliable.** Aged 12 or over. Must have parental permission. £3 per hour. Ask for Helen.



Home Movies, 129 High Street

Brightening up the autumn/winter nights...

Rent 1 DVD for the night and get two kid's movies free