

# SPENDING MONEY

When you give money in exchange for what you need or want, this is called spending. When you decide not to spend your money, this is called saving. Saving for a future purchase can be described as 'delayed spending'. You can also describe spending as expenses or expenditure. For example, when you buy a book, the money you use is an expense or expenditure.

## FUTURE SPENDING DECISIONS

Imagine you have won £100  
What would you **LIKE** to spend it on?

*These are things you might WANT*

What sort of things will you **NEED** to spend  
money on when you are an adult?

*These are things you might NEED*

Which would be more important to buy first, things you **WANT** or things you **NEED**? WHY?

## WHERE DOES ALL THE MONEY GO?

A business spends money on many expenses. It must pay the people who work there, pay for the premises (where the business is situated), pay for furniture, equipment, heating, water, office supplies.... It is quite a long list! However – it **MUST** also pay for the materials needed to make a product or create a service. Without something to sell, they can not earn an income.

**WHAT PRODUCT  
OR SERVICE  
MIGHT YOU SELL?**



**LIST THE EXPENSES YOU COULD INCUR:**

## ANSWER AND DISCUSS

How can you make **SMART** choices when you spend money?