

Cost of Living

Task 1:

Estimate the *cost of living per month* for the following typical households:

1. A student living at university for the first year of their studies.
2. A young couple with no children.
3. A family of two adults and two children.
4. A retired couple.

For each estimation be sure to include any of the following as you believe necessary:

- Rent / mortgage
- Water
- Electricity
- Gas
- TV licence
- TV, home phone, broadband
- Mobile phone
- Home insurance
- Car insurance
- Car tax
- Car maintenance
- Petrol / transport
- Food
- Clothes
- Pet costs
- Socialising
- Holidays
- Other

*To convert annual costs to monthly costs, divide by 12.

Task 2:

For each of the four households above estimate a typical, or average, income and use this make an estimate of the **amount of disposable income each month**. Give reasons for your decisions and assumptions.

Task 3:

What effect would geography have on each of your estimates above? Consider each scenario above for people living in the following areas in the UK:

a) Central London

b) Norwich

c) Liverpool

Use these boxes to plan your outgoings

<ul style="list-style-type: none"> Rent / mortgage (per property /month) <ul style="list-style-type: none"> London 2 bed = London 4 bed = Norwich 2 bed = Norwich 4 bed = Student Accom = 	<ul style="list-style-type: none"> Mobile phone, per month <ul style="list-style-type: none"> Sim only = Nice new phone package =
<ul style="list-style-type: none"> Water, per month <ul style="list-style-type: none"> For a home = Student Accom = 	<ul style="list-style-type: none"> Home insurance, annual
<ul style="list-style-type: none"> Electricity, per month <ul style="list-style-type: none"> For a home = Student Accom = 	<ul style="list-style-type: none"> Car insurance, annual <ul style="list-style-type: none"> Older, married, with children, lots of no claims discount = New driver =
<ul style="list-style-type: none"> Gas, per month <ul style="list-style-type: none"> Per month Per month, student accomm 	<ul style="list-style-type: none"> Car tax, annual <ul style="list-style-type: none"> Small, eco, zero pollution = Larger gas guzzlers =
<ul style="list-style-type: none"> TV licence, annual <ul style="list-style-type: none"> Annual, for a house = Student Accom; bedrooms with locks = No locks = 	<ul style="list-style-type: none"> Car maintenance, annual <ul style="list-style-type: none"> MOT + service =
<ul style="list-style-type: none"> TV, home phone, broadband, per month <ul style="list-style-type: none"> Basic fibre = TV Channels etc = Student Accom = 	<ul style="list-style-type: none"> Petrol / transport, per month
<ul style="list-style-type: none"> Food, per week <ul style="list-style-type: none"> Aldi = Waitrose = Restaurant meal for two = 	<ul style="list-style-type: none"> Socialising, per event <ul style="list-style-type: none"> Cinema = Night out = Restaurant meal for two =
<ul style="list-style-type: none"> Clothes <ul style="list-style-type: none"> ?? 	<ul style="list-style-type: none"> Holidays (per person) <ul style="list-style-type: none"> Four days camping, UK = One week, all-inc package, Europe = Two weeks, Disney, Florida = (flights, car hire, Disney tickets, food, hotel, airport transfer, Esta)

Some suggestions for typical costs (as of ~2018/2019)...

<ul style="list-style-type: none"> Rent / mortgage (per property /month) London 2 bed = £1500+ London 4 bed = £4000+ Norwich 2 bed = £650+ Norwich 4 bed = £1200+ Student Accom = £300-500 pppm 	<ul style="list-style-type: none"> Mobile phone, per month Sim only = £5 /month Nice new phone package = £50 /month
<ul style="list-style-type: none"> Water, per month £30-£50 /month Student Accom = £10 pppm 	<ul style="list-style-type: none"> Home insurance, annual £100-£250 /year
<ul style="list-style-type: none"> Electricity, per month £50 - £80 /month Student Accom = £25-30 pppm 	<ul style="list-style-type: none"> Car insurance, annual Older, married, with children, lots of no claims discount = £200 /year New driver = £1500+ /year
<ul style="list-style-type: none"> Gas, per month £50 - £80 /month Student Accom = £25-30 pppm 	<ul style="list-style-type: none"> Car tax, annual Small, eco, zero pollution = £0 /year Larger gas guzzlers = £300+ /year
<ul style="list-style-type: none"> TV licence, annual £144 /year Student Accom; bedrooms with locks = £144 per each TV in bedroom. No locks = £144 for whole property 	<ul style="list-style-type: none"> Car maintenance, annual MOT + service = £200+ /year
<ul style="list-style-type: none"> TV, home phone, broadband, per month Basic fibre = £21 /month TV Channels etc = £70 /month Student Accom = £11 pppm 	<ul style="list-style-type: none"> Petrol / transport, per month £80+ /month
<ul style="list-style-type: none"> Food, per week Aldi (£50 /trolley) = £50 - £100 Waitrose (£50 /bag) = £100 - £200 Restaurant meal for two = £20-50 	<ul style="list-style-type: none"> Socialising, per event Cinema = £5 - £20 /person Night out = £50+ /person Restaurant meal for two = £20-50
<ul style="list-style-type: none"> Clothes ?? 	<ul style="list-style-type: none"> Holidays (per person) Four days camping, UK = £200 One week, all-inc, Europe = £600-£1500 Two weeks, Disney, Florida = £3000 (flights £800 car hire £300, Disney tickets £500, food £600, hotel £700, airport transfer £50)

How to minimise your expenses...

<ul style="list-style-type: none"> • Rent / mortgage <p>It's cheaper up north House share</p>	<ul style="list-style-type: none"> • Mobile phone <p>Use comparison websites Compare overall costs over term length of buying the phone outright + sim only vs package Haggle Use a student card if you can</p>
<ul style="list-style-type: none"> • Water <p>If possible, work out whether a water meter is cheaper or not</p>	<ul style="list-style-type: none"> • Home insurance <p>Use comparison websites Haggle Don't make unnecessary claims</p>
<ul style="list-style-type: none"> • Electricity <p>Get dual fuel Pay by direct debit Use comparison websites Set a reminder for when your deal ends then aim to switch or haggle Never stay on the standard tariff Get smart / led bulbs</p>	<ul style="list-style-type: none"> • Car insurance <p>Use comparison websites Never accept the renewal quote Haggle a lot Buy/use a car with a low insurance group, this probably has cheaper tax too</p>
<ul style="list-style-type: none"> • Gas <p>Turn the thermostat down by a degree See notes for electricity above</p>	<ul style="list-style-type: none"> • Car tax <p>Use car sales websites to find cars with low tax</p>

More overleaf...

<ul style="list-style-type: none"> • TV licence <p>There's nothing you can do here other than not have a TV and not to have BBC iplayer (etc.) on any of your devices.</p>	<ul style="list-style-type: none"> • Car maintenance <p>Shop around Use vouchers in local papers Get an MOT + service combined</p>
<ul style="list-style-type: none"> • TV, home phone, broadband <p>Haggle a lot Pay line rental up front Think about whether you really need the TV channel</p>	<ul style="list-style-type: none"> • Petrol / transport <p>Drive sensibly Use a diesel car as these do many more miles per gallon Consider an electric car Look for employee lease discounts Walk or bike</p>
<ul style="list-style-type: none"> • Food <p>Use Aldi, Lidl etc. Plan meals for the week and don't waste food Work out what times supermarkets reduce their food and shop at those times</p>	<ul style="list-style-type: none"> • Socialising <p>Use a local discount book, e.g. Spree etc. Find and use vouchers Go on special deal nights</p>
<ul style="list-style-type: none"> • Clothes <p>Shop online Buy in the sales Birthdays and Christmas Use charity shops</p>	<ul style="list-style-type: none"> • Holidays (per person) <p>Last minute deals Staycation Air bnb Stay with friends and relatives, who will usually also be great company, hosts and tour guides! Take up offers of accomm from friends and relatives (within reason and safely)</p>