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| Title | Produce a household budget, set a financial goal and adjust the budget to achieve the goal | | |
| Level | 2 | Credits | 3 |

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| Purpose | People credited with this unit standard are able to produce a household budget, set a financial goal and adjust the budget to achieve the goal |
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| Classification | Core Generic > Financial Capability |
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| Available grade | Achieved, Merit, and Excellence |
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| Criteria for Merit | The adjusted household budget shows how adjustments enable achievement of a set financial goal. |
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| Criteria for Excellence | The adjusted household budget justifies adjustments to achieve a set financial goal. |
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Guidance Information

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.
- 2 Definitions

A *household budget* is prepared for a situation that is typically characterised by:

 - relevance to a group of people sharing the same household finances
 - need to consider different goals and priorities
 - multiple sources of income
 - multiple commitments including accommodation, food, utilities, clothing
 - need to reflect the set financial goal.

Attachment orders tell an employer or Work and Income to transfer money from a debtor's wages or benefit to pay fines or pay off a debt.

Take home pay could include deductions for income tax, KiwiSaver, student loan, union or association fees, attachment orders.
- 3 Assessment may be based on a case study or simulation, but where the candidate's real situation is used, every care must be taken to protect privacy, and the provisions of the Privacy Act 2020 will apply.

4 References

Inland Revenue – <https://www.ird.govt.nz/>;
 Ministry of Business Innovation & Employment – <https://www.mbie.govt.nz/>;
 Sorted: Your Independent Money Guide – <https://www.sorted.org.nz/>;
 Work and Income – <https://www.workandincome.govt.nz/>;
 StudyLink – <https://www.studylink.govt.nz/>;

Outcomes and performance criteria

Outcome 1

Produce a household budget, set a financial goal and adjust the budget to achieve a financial goal

Performance criteria

- 1.1 A household budget is produced to show current financial circumstances.
 Range income: take home pay, other income
 expenses: fixed or regular, variable or irregular; needs, wants, surplus, deficit.
- 1.2 Household budget is reviewed and adjusted to achieve the financial goal.
 Range review includes – comparing budget with actual income and expenditure, inclusion of an emergency fund for unexpected expenses;
 evidence of two changes to the household budget is required.
- 1.3 The frequency of review and adjustments to the budget are explained in terms of how they meet the needs of the household's set financial goal.

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| Planned review date | 31 December 2025 |
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Status information and last date for assessment for superseded versions

| Process | Version | Date | Last Date for Assessment |
|--------------|---------|------------------|--------------------------|
| Registration | 1 | 12 December 2013 | 31 December 2018 |
| Revision | 2 | 21 May 2015 | 31 December 2018 |
| Review | 3 | 21 July 2016 | 31 December 2022 |
| Review | 4 | 31 December 2020 | |

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| Consent and Moderation Requirements (CMR) reference | 0226 |
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This CMR can be accessed at <https://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.

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