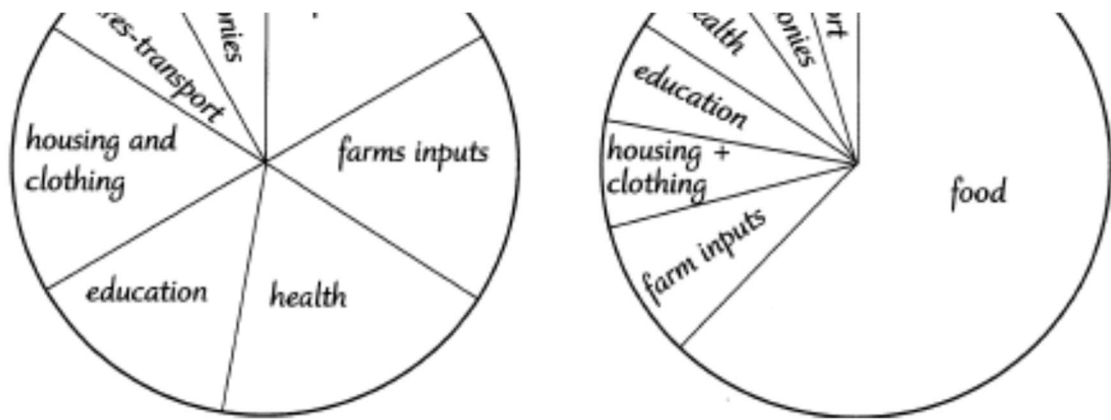


# Income and expenditure pie chart



To analyse the relative allocation of an individual or organisation's income on different categories of expenditure. It is a particularly useful tool for budget analysis, looking at local or national government allocations and expenditure on areas such as health, education, etc.

## Steps in the process

1. Introduce participants to the concept of the pie chart, if needed. In this case the 'pie' represents the total amount of money (income) available to the family or organisation and it is divided into segments to show the relative allocation on different categories of expenditure such as food, farm inputs, housing, clothing, health, education, etc
2. Work with the participants to construct a simple pie chart based on a typical family's monthly or annual expenditure.
3. After doing one pie chart as a group, each participant can be asked to create their own. The pie chart need only show estimated relative expenditure, which is less intimidating and less sensitive than asking people to discuss actual expenditure on different items. However, if appropriate, actual figures can be used and participants can be supported to use percentages to work out exactly how much of the pie is allocated to different types of expenditure.
4. To make it easier to compare and analyse the different pie charts you could ask the participants to colour code their pie chart so that everyone uses the same colour for each category of expenditure (e.g., blue for education related expenditure, green for agriculture/farm related expenses, etc).

5. Once the pie charts are finished participants can work in small groups to discuss them or they might be stuck to the wall to facilitate a group discussion.

Once participants are comfortable using the pie chart, the tool can be used for more complex budget analysis, looking at local and national government budget allocations and/or expenditure, for example. Participants can be asked to prepare their own alternative budgets.

## Numeracy work

Numeracy work arising out of pie charts can focus on the concept of percentages, introducing the % sign and doing a range of work around the use of percentages. The format also provides scope for exploring 'sharing' or 'division' (the dividing up of available resources). Putting actual (or approximate) figures in the slices of the pie can open up further numeracy work.

## Additional tools

- [Income & expenditure calendar](#) - might be used after the income and expenditure tree to explore at what time of year the different types of income and expenditure are most likely.

## References

- [Reflect Mother Manual](#), ActionAid International, 1996, p. 168-169.