

WHY BUDGET?

- ✓ A budget is a tool that helps you plan to meet your financial goals. In order to plan, you have to know what you have. The budget outlines your income and expenses to give you a snapshot of what you have.



The budget includes Income and Expenses:

Income - money that is earned during a period of time. *Example: Job, Allowance, Interest earned*

Expenses - money that is spent during a period of time.

There are different types of expenses:

Fixed Expenses: Spending that is the same from week to week or from month to month.

Example: Rent, Car Payments

Variable Expenses: Spending that changes from week to week or from month to month.

Example: Cell phone bill, Food bought at a restaurant, Gas for the car



* List some other examples of fixed and variable expenses.

Occasional or Periodic Expenses: Spending that happens once or a few times a year

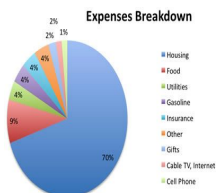
Example: Car registration, Dentist visit, Car maintenance

Planned Expenses: Spending that you planned for and expected

Example: Buying clothes, Tickets for the fair, Going to the movies

Unplanned Expenses: Spending that occur due to an emergency or due to an immediate need

Example: Donation to the relief fund for a disaster, car repair because of an accident, doctor visit from an injury playing a sport



- ✓ A budget provides us with information that allows us to spend, save, plan, and succeed. It helps us to not live above our means. Without a budget, we might not have enough money to do or buy the things we want.



A grocery list is an example of a Budget. Purchases are made based on the money that you have. If you have \$100 to spend, then you can only purchase \$100 worth of groceries.

Click Link: BizKids Budgeting Basics Video



- * What are some things that you want?
- * Can you afford them?
- * Create a list of your income and your expenses.