

WHAT IS A BUDGET?

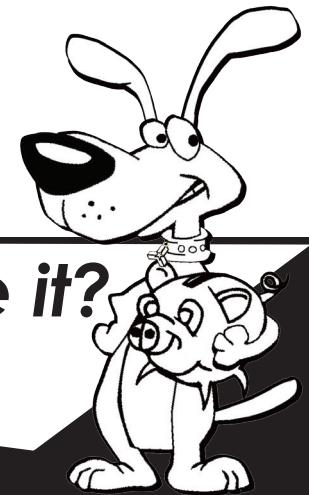


What is a Budget?

A **budget** is a written plan your parents use to decide how much money they can spend on things, like groceries, rent, clothes for the family, and many other items. Everything we spend money on needs to be in the budget. It should also include a goal to put some money into savings each month to prepare for unexpected emergencies. The goal of a budget is to make sure your parents do not spend more money than they earn from their jobs.

As a kid, you can use a budget to help you decide how to spend money you receive from gifts, allowance, or chores. It is a good idea to **SAVE** some of your money in a piggy bank or your **Cool Kids Savings Account** for the future. You can also **GIVE** some of your money to charity, or to buy something for others in need. After you decide how much to put in those two places, you can also plan to **SPEND** some of your money on something you would enjoy.

WHAT IS A BUDGET?



And how do you use it?

A **BUDGET** is a written plan for how you spend your money.

Every time you receive money, you need to decide what to do with it. Do you want to save for a new bike? Do you want to help a friend in need or help buy food for the homeless? Do you want to spend some money now and buy something you want or need? A budget helps you see where your money is going by writing it down.

In the exercise below, write down how much money you received from all gifts and chores. Then, using the category blocks, decide how much you want to **SAVE**, **GIVE**, and **SPEND**.

Total Income (Amount you received from ALL gifts, chores, allowance, or other sources): \$ _____

SAVE + **GIVE** + **SPEND** = \$

Amount: \$ + Amount: \$ + Amount: \$ = \$

THIS TOTAL SHOULD MATCH YOUR TOTAL INCOME

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