

 **BUILDING BLOCKS STUDENT WORKSHEET**

Learning about budgets

A budget is a plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; it is also called a spending plan.

Budget rules can help you manage your money. A 50-30-20 plan is one example of a budget rule to live by. For this budget rule, you'll plan to use 50 percent of your income for needs, 30 percent for wants, and 20 percent for saving.

Instructions

- 1 At each of the three budget stations, select a budget card.
 - Select the option on the card that best follows the 50-30-20 rule, based on your budget of 100 points.
 - Record the expenses related to your choice in the tables on this worksheet.
- 2 After visiting all three stations, answer the reflection questions.

Making budget choices

Your budget is 100 points.



Needs

Select a "Needs" budget card and write its number in the table. Choose the option that best follows the 50-30-20 rule.

Which option did you select: Option A or Option B

| Card number _____ | Number of points |
|-------------------------------|------------------|
| Housing | |
| Food | |
| Transportation | |
| Utilities | |
| Clothing | |
| Total points for needs | |

Wants

Select a "Wants" budget card and write its number in the table. Choose the option that best follows the 50-30-20 rule.

Which option did you select: Option A or Option B

| Card number _____ | Number of points |
|-------------------------------|------------------|
| Cell phone | |
| Internet | |
| Entertainment | |
| Eating out at a restaurant | |
| Shopping | |
| Total points for wants | |

Savings

Select a "Savings" budget card and write its number in the table. Choose the option that best follows the 50-30-20 rule.

Which option did you select: Option A or Option B

| Card number _____ | Number of points |
|--------------------------|------------------|
| Long-term savings | |
| Short-term savings | |
| Emergency savings | |
| Total points for savings | |

Reflection questions

1. Think about how the options you chose were different from those you didn't choose. For example, if you selected an option with a housing budget of 20 points instead of 30 points, or an entertainment budget of 7 points instead of 17 points, what might this look like in real life? What may you have to give up or compromise on to stick to a budget rule?

2. How might a budget rule like the 50-30-20 rule help you to manage your money when you're on your own?