

 **BUILDING BLOCKS STUDENT WORKSHEET**

# Learning about budgets

A budget is a spending 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.

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?