

Your Budget

A budget is a plan that helps to match your expenses to your income. Expenses are the amount of money you spend. Income is the amount of money you earn. Making a budget can help you plan for the future. It can help you make decisions about how you will spend your money.

Why You Would Want to Make a Budget

Making a budget helps you to have enough money to pay your bills. Making a plan can also help you save money. If you do not use a budget you may run out of money.

How to Make a Budget

To make a *balanced budget*, start by listing your monthly or weekly income. Next, list your *expenses*. There are two types of expenses. *Fixed expenses* stay the same. These expenses are the bills you pay every month. A *fixed expense* might be the rent or a car payment. *Variable expenses* do not stay the same every month. A variable expense might be a telephone or heat bill. After listing your monthly expenses, add them together.

New words to remember

- ✓ budget
- ✓ income
- ✓ expenses
- ✓ fixed expenses
- ✓ variable expenses
- ✓ balanced budget
- ✓ unbalanced budget

Balanced budget – When you earn more than you spend.

Monthly Income	\$1,225
Expenses	
rent	\$500
car payment	\$250
food	\$200
phone	\$ 50
utilities	\$100
gas	\$100
Total expenses.....	\$1,200

Then subtract your total expenses from your monthly income.

Monthly Income.....	\$1,225
Monthly Expenses	– \$1,200
Money left over.....	\$ 25

Over →



The amount left over can be saved. By making a budget, you can have enough money to pay for the things you need. You may also save some money.

People who do not have a budget could spend more than they earn. When you spend more money than you earn, you have an *unbalanced budget*.

Unbalanced budget – When you spend more than you earn

Monthly Income.....	\$1, 225
Expenses	
rent	\$500
car payment	\$200
food	\$250
phone	\$150
utilities	\$150
gas	\$150
Total expenses.....	\$1,400

In this example you will subtract the monthly income from the total expenses.

Total expenses.....	\$1,400
Monthly Income.....	– \$1,225
Amount over income.....	\$ 175

If you spend more money than you earn every month you will never have enough money.

When to Change your Budget

Change your budget if you spend more than you earn. Change your budget if your income or expenses change.

Notes

Your Budget

Materials needed:

- Wipe board and wipe board markers
- Pencils
- Highlighters
- Index cards

Finanza materials:

- *Your Budget* (Toolbox Topic, Skills Practice Worksheet, Pre/Post-Survey)

Elements	Activities	Notes
Pre-Set	Introduce topic Conduct Pre-Survey Introduce new vocabulary	Do you spend all the money in your pocket? Do you put aside money for bills? Students complete (oral or written) survey. Instructor writes new vocabulary on wipe board. Students copy words on to note cards and repeat words as teacher pronounces them.
Instruction	Read <i>Your Budget</i> (if appropriate) Identify vocabulary words in reading Discuss – Why a budget? Make a budget Practice making budgets Expand on budget making	Provide Toolbox Topic – <i>Your Budget</i> Instructor leads guided reading of topic. Students highlight definitions of new words. Instructor uses questions to generate discussion. Why would you want to make a budget? What information do you need? What can you do if your budget is not balanced? Instructor explains process of making a budget and shows examples of making a budget on wipe board. Provide Skills Practice Worksheet. Students work on practice sheet as a group or individually as appropriate. Students make a budget for themselves.
Concept Check	Check vocabulary Conduct Post-Survey	Instructor reads definition of vocabulary word. Students hold up an index card with correct word. Students complete (oral or written) Post-Survey.

Workshop Guidelines:

- Complete attendance/sign-in document
- Record Pre/Post-Survey results if completed orally
- Time estimate – 1 hour for adults... less for children depending on grade (K – 12)

Your Budget Su Presupuesto

Name/Nombre _____ Date/Fecha _____

To make a **balanced budget** start with the amount of money you make per month (*income*). Then subtract all of the money you spend each month (*expenses*). If there is money left over you have a balanced budget.

Para hacer un **presupuesto equilibrado** comience con la cantidad de dinero que gana al mes (*ingresos*). Después reste el dinero que gasta cada mes (*gastos*). Si le queda dinero sobrante, usted tiene un presupuesto equilibrado.

Try these examples:
Pruebe con estos ejemplos:

<p>Monthly income/ Ingresos mensuales \$1,500</p> <p>Add these expenses/ Sume estos gastos</p> <p>Expenses/Gastos</p> <p style="padding-left: 20px;">rent/alquiler \$400</p> <p style="padding-left: 20px;">gas/gas \$150</p> <p style="padding-left: 20px;">food/comida \$225</p> <p style="padding-left: 20px;">electric/electricidad \$100</p> <p>Total expenses/Gastos totales: _____</p>
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<p>Subtract the total expenses from the income. Reste el total de los gastos de los ingresos.</p> <p>Monthly income/ Ingresos mensuales _____</p> <p>Total expenses/ Gastos totales - _____</p> <p>Money left over Dinero sobrante _____</p>
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Over/Continúa al reverso

Monthly income/
Ingresos mensuales **\$2,000**

Add these expenses/
 Sume estos gastos

Expenses/Gastos

rent/alquiler	\$400
gas/gas	\$250
car payment/ pago del auto	\$190
food/comida.....	\$275
electric/electricidad	\$150

Total expenses/Gastos totales: _____

Subtract the total expenses from the income.
 Reste el total de los gastos de los ingresos.

Monthly income/
 Ingresos mensuales..... _____

Total expenses/
 Gastos totales..... - _____

Money left over
 Dinero sobrante _____

An **unbalanced budget** is when you spend more than you earn. Subtract the expenses from the income. There are more expenses than income. There is no money left over. You would owe more money than you have earned for the month.

Un **presupuesto desequilibrado** es cuando usted gasta más de lo que gana. Reste los gastos de los ingresos. Hay más gastos que ingresos. No hay dinero sobrante. Deberá más dinero del que ha ganado en un mes.

Try these examples. Does the example show a balanced or an unbalanced budget?
 Pruebe con estos ejemplos. ¿Muestra el ejemplo un presupuesto equilibrado o no?

Monthly income/
Ingresos mensuales **\$1,200**

Add these expenses/
 Sume estos gastos

Expenses/Gastos

rent/alquiler	\$500
gas/gas	\$180
car insurance/ seguro del auto.....	\$50
food/comida.....	\$175

Total expenses/Gastos totales: _____

Now compare the total expenses and the income.
 Ahora compare los gastos totales y los ingresos.

Monthly income/
 Ingresos mensuales..... _____

Total expenses/
 Gastos totales..... _____

Which is more?
 ¿Cuál es mayor? _____

Is it balanced or unbalanced?
 ¿Es un presupuesto equilibrado o no?

Monthly income/ Ingresos mensuales **\$1,000**

Add these expenses/
Sume estos gastos

Expenses/Gastos

rent/alquiler	\$550
gas/gas	\$250
car insurance/ seguro del auto.....	\$75
food/comida.....	\$255
electric/electricidad	<u>\$100</u>

Total expenses/Gastos totales: _____

Now compare the total expenses and the income.
Ahora compare los gastos totales y los ingresos.

Monthly income/
Ingresos mensuales..... _____

Total expenses/
Gastos totales..... _____

Which is more?
¿Cuál es mayor?

Is it balanced or unbalanced?
¿Es un presupuesto equilibrado o no?

Monthly income/ Ingresos mensuales **\$1,290**

Add these expenses/
Sume estos gastos

Expenses/Gastos

rent/alquiler	\$550
gas/gas	\$250
car insurance/ seguro del auto.....	\$75
food/comida.....	\$300
electric/electricidad	<u>\$250</u>

Total expenses/Gastos totales: _____

Now compare the total expenses and the income.
Ahora compare los gastos totales y los ingresos.

Monthly income/
Ingresos mensuales..... _____

Total expenses/
Gastos totales..... _____

Which is more?
¿Cuál es mayor?

Is it balanced or unbalanced?
¿Es un presupuesto equilibrado o no?

How could you solve the problem of an unbalanced budget?
¿Cómo puede resolver el problema de un presupuesto desequilibrado?



Your Budget Pre-Assessment

Date: _____

Name: _____

1. Is a budget a good way to manage your money?

Circle the correct answer.

Yes

No

2. Why would you want to make a budget?

- a. It helps you have enough money to pay bills.
- b. It helps you save money.
- c. It lets you know how much money you need each month.
- d. All of the above.

3. What is the name for expenses that change every month?

Income

Variable expenses

4. *Fixed expenses* stay the same every month.

True

False

5. Does having a balanced budget mean you earn more money than you spend?

Yes

No

Total Correct: _____



Your Budget
Post-Assessment

Date: _____

Name: _____

1. Is a budget a good way to manage your money?

Circle the correct answer.

Yes

No

2. Why would you want to make a budget?

- a. It helps you have enough money to pay bills.
- b. It helps you save money.
- c. It lets you know how much money you need each month.
- d. All of the above.

3. What is the name for expenses that change every month?

Income

Variable expenses

4. *Fixed expenses* stay the same every month.

True

False

5. Does having a balanced budget mean you earn more money than you spend?

Yes

No

What does it mean to have an unbalanced budget? (not scored)

Total Correct: _____