

A Young Person's Budget (Key)

A budget helps you to keep track of your money. When you track how much money comes in and how much goes out, you can see how well you use your money. Ideally, you want to have more money coming in than going out.

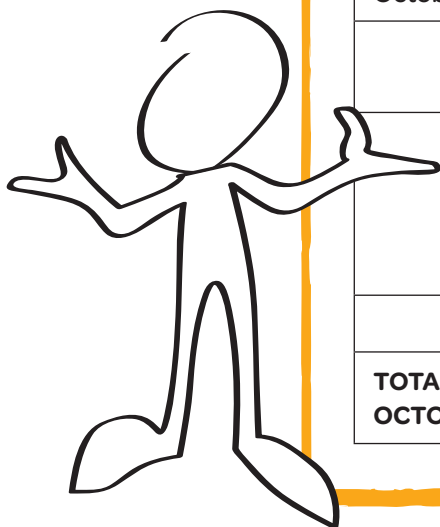
A budget needs to be for a certain period of time. One week is a good starting point. Most adults create a monthly budget or an annual budget. **Correct answers are in bold following the five questions.**

Budget #1

Date	Money Coming In	Date	Money Going Out
October 1	\$5 for allowance		
		October 3	85¢ for candy from a vending machine
		October 5	\$1.00 for a soft drink
TOTAL FOR OCTOBER 1-7	\$5.00	TOTAL	\$1.85

Budget #2

Date	Money Coming In	Date	Money Going Out
October 8	\$5 for allowance		
		October 9	\$1.00 for candy from a vending machine
		October 12	\$1.00 for a soft drink
		October 14	\$3.00 for paying back brother for lending me money
TOTAL FOR OCTOBER 8-15	\$5.00	TOTAL	\$5.00



Budget Well

A Young Person's Budget (Key)

1. Which budget is better? Why?

Budget #1 because the person has more money coming in than going out

2. Which budget shows that money was saved?

Budget #1 because the person has more money coming in than going out

3. How much money was saved?

\$3.15 (\$5.00 - \$1.85 = \$3.15)

4. Which budget shows responsible money use? Why?

Both budget #1 and budget #2. The person with budget #1 shows that he or she knows how to save money. The person with budget #2 shows that he or she can pay back money owed and not overspend.

5. What is important for creating a budget?

- a) **Having a timeline (one week for both budget #1 and budget #2)**
- b) **Listing each time money comes in with the date**
- c) **Listing each time money as spent with the date**
- d) **Totaling up the money coming in and going out at the end of the budget time period**
- e) **Comparing the totals of the money coming in and the money going out so that you know how well you're tracking your money**