



## BUILDING A BUDGET

Investor Bill is a planner. He is careful with his money and spends time making sure he knows where it goes. To do this, Investor Bill plans a budget. He looks ahead at the money he will receive through work, odd jobs, his allowance, and gifts. This is called income. Then, he plans how he will spend his money and how he will save some so he can invest it to earn more. By creating a budget, Investor Bill sets goals and keeps his spending on track. This can be hard. Sometimes, he can't get all the things he "wants" because he has to pay for the things he "needs" first.

**PART 1. Ready to plan your own budget? Use the chart below to set up a budget for a month and see how you do. Base your budget on the information provided below.**

- You receive \$25 each week for your allowance.
- If you receive any additional money during the month, add it to the "Other Income" row.
- Decide how much you want to spend on stuff like buying music or apps online, going to the movies with friends, buying some snacks at the theater, etc.
- You also want to start saving money for college or a larger item you want, such as a new tablet or a laptop.
- Don't forget to set aside some money to help others or contribute to causes that are important to you.
- Track your spending for the month.



### **PART 2. Think About It!**

At the end of the month, write a letter to Investor Bill on a separate sheet of paper about whether you were able to keep your budget on track. What decisions did you have to make? Did you decide to see the movie—or did you skip it to stay on budget? Did you take money from your savings because you wanted that new video game or shirt? What could you have done differently? What "trade-off" could you have made?

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	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5
Allowance	\$25	\$25	\$25	\$25	\$25
Other Income					
Fun (movies, shopping, etc.)					
Food (ice cream with friends, etc.)					
Online games and computer stuff					
School stuff					
Save					
Donate					
<b>TOTAL</b>					