



BUDGETING & SAVING -Student Guide



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SPENDING TRACKER

Name: _____

Caitlin is 18 years old and about to graduate high school. She works part-time at her mom's office answering phones and filing after school. She earns approximately \$550 each month. Caitlin wants to move out of her parents' house and into her own apartment when she graduates, but she keeps coming up short on money and dipping into her savings account to pay for daily expenses. Over the years, Caitlin has built up her savings account by stashing away birthday gift money and any extra earnings from jobs like babysitting and walking her neighbor's dog. Now that she plans on living on her own, she wants to keep her savings account in place as an emergency fund, but she's worried about how to pay for new expenses like rent and utilities. Review her spending habits below and see if you can help her make a plan.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Lunch: \$6.99	Coffee: \$2.00	Coffee: \$2.00	Coffee: \$2.00	Coffee: \$2.00	Coffee: \$2.00	Gas: \$15.00
Gas: \$21.50	New pair of jeans and a T-shirt: \$52.86	Lunch: \$8.50		Lunch: \$7.65	Movies and snacks: \$15.00	Concert: \$89.00

If Caitlin spends at this pace for an entire month, how much money will she spend by the end of the month?

Compare Caitlin's monthly expenses to her monthly income. Does Caitlin have positive cash flow (more money coming in than going out) or negative cash flow (more money going out than coming in)?

What patterns do you observe in Caitlin's spending habits? What does she spend money on most often?

What advice would you give Caitlin to help her reduce expenses so she can afford to move out on her own?

INCOME & EXPENSES

Name: _____

Income is money that comes to you from:

- Various jobs or work, like cutting grass or babysitting wages
- Full- or part-time employment
- Allowances
- Odd jobs
- Interest and dividends
- Other sources, including tips

Expenses are the items you spend money on. They might be from:

- Bills (for example: cellphone or cable bill, rent)
- Transportation expenses (for example: car payment, gas, insurance, and bus or transit fares)
- Movies, CDs or music downloads, or other entertainment
- Clothes
- Eating out
- Personal items (for example: makeup, cologne)
- Savings for college or other future purchases. Even though you aren't "spending" the money you put aside in savings on goods or services, considering it an expense helps build short-term savings (such as for emergencies) and long-term savings (such as for college expenses, buying a home, or retirement).

Fixed expenses do not change from month to month.

Flexible expenses might change from month to month, like a heating bill that is lower in May than in December.

INCOME & EXPENSES (continued)

Let's Practice!

Jayden brings home \$425 each month. Help Jayden track his monthly income and expenses to determine how much money he has coming in, how much is going out, and whether or not he has enough income to pay his bills and expenses each month.

The chart below lists his income and expenses. Total his income and expense categories. Does Jayden have enough money to pay all of his bills?

MY INCOME	
After-school job	\$300
Mowing neighbor's lawn	\$125
INCOME TOTAL	\$

FIXED EXPENSES	
Car payment	\$150
Car insurance	\$30
Loans/credit cards	\$10
Savings	\$25
FIXED EXPENSES TOTAL	\$

FLEXIBLE EXPENSES	
Gas/car maintenance	\$60
Cell phone	\$30
Entertainment	\$40
Personal expenses	\$25
FLEXIBLE EXPENSES TOTAL	\$

CASH FLOW CONUNDRUM

Name: _____

Help! Todd is in a real conundrum...he's overspending and needs a plan. Read his story below and help him put the pieces to a solid plan together before it's too late.

From Todd:

"I get an allowance for doing chores, which is usually about \$75 each month. My cell phone bill is \$45 a month. I use my phone for everything — texting, downloading movies, playing apps with my friends, you name it.

Let's see...the rest of my money goes toward hanging out with friends (\$10); buying clothes, new music, video games (\$10); and then into savings (\$10). I have \$70 in savings right now.

My problem is that I didn't realize how much I was using my phone last month until I went way, WAY over my allowable data. When I got my bill, I flipped! I really should have paid more attention. It was \$256! I don't have that kind of money. If I keep paying my regular \$50 a month, I'm going to continue to owe extra charges.

What else can I do? Do you have any ideas for how I can lower my expenses and increase my income so I can get rid of this debt?"



WHAT IF...

Name: _____

What happens if you remove a small, unnecessary item from a budget? How do you think one small act can lead to big savings?

Let's find out! Imagine that you buy a daily coffee for \$2. Calculate the true cost of those java jolts for each of the time periods below.

One week: _____ (Not so bad, right?)

One month (30 days): _____ (Not great, but still manageable.)

One year: _____ (Ouch! That's adding up.)

Five years: _____ (Whoa, slow down — Coffee costs that much?!)

Ten years: _____ (That's the cost of a car!)

Twenty years: _____ (OK...lesson learned: cutting small expenses can lead to big savings.)

If you don't buy daily coffee, what could you do with the money you save?