

Creating Your Budget

MODULE 4

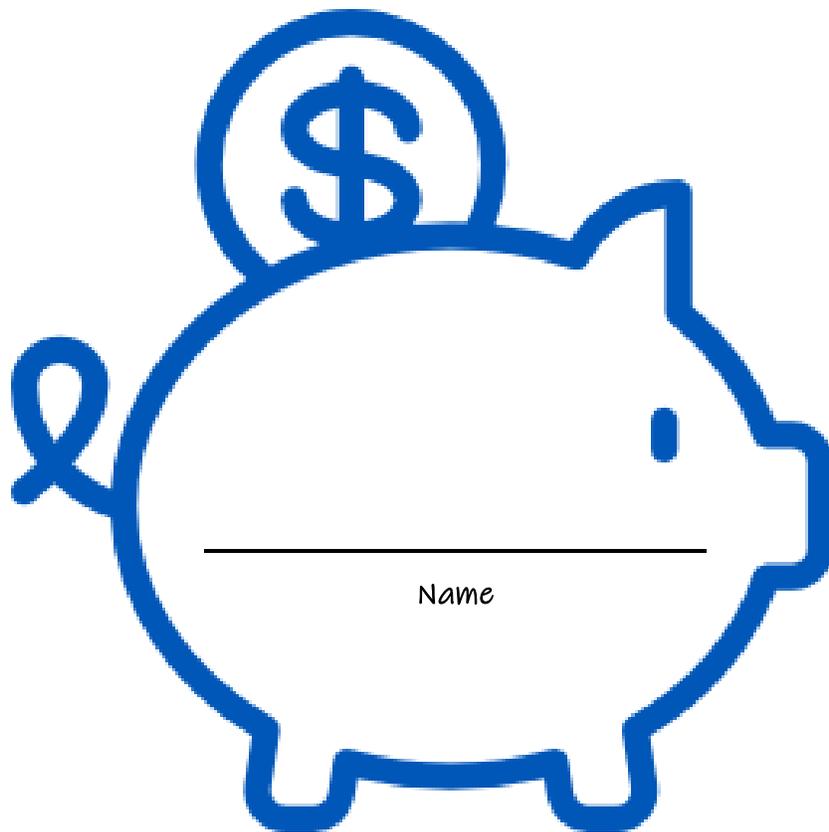


PACIFIC NW
FEDERAL CREDIT UNION

Questions?
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My Budget

This Book Belongs to:



Monthly Budget



Month:

Income	Amount
Total Income:	

Expenses	Amount
Total Expenses:	

Goal

Amount in Savings

Name _____ Date _____

Building Your Own Budget

Use this section to create your own personal budget and set savings goals. Fill out each section to determine you weekly savings, goals, and emergency money.

Step 1 Weekly Income		Step 2 Weekly Expenses	
Add up your weekly income below		Add up your weekly expenses below	
Allowance	\$	Description of Expense	Amount Spent
Earnings	\$		\$
Gifts	\$		\$
Others	\$		\$
Total Income	\$		\$

Step 3 Weekly Savings

Figure out your weekly savings by subtracting your weekly expenses from your weekly income.

	-		=	
Total Income		Total Expenses		Weekly Saving

Step 4 Savings Goals

1. Write down your top 3 goals (Things you hope to do or have).
2. Write down how much each goal costs
3. Write down how much you plan to save toward that goal each week.

Description	Cost	Savings Per Week	# of Weeks to Reach Goal
	\$	\$	
	\$	\$	
	\$	\$	

Emergency Savings: One savings guideline you may want to consider is to set aside money for expenses you don't see coming. Many people like to use the guideline of 20% of total income to set aside for emergency savings. To find this number you can multiply your total earnings by 0.2 (or take \$2 out of every \$10).

For example, maybe one of your goals is to save for a bike. You would need an emergency fund for the cost of tire repair or any other expenses that might arise to keep your bike in great shape.

Name _____ Date _____

Budget Reflection Questions

1. What are your financial goals? Have your goals changed since the beginning of tracking your budget?
2. How much do you need to save to reach your goal(s)?
3. What are your expenses? Do you notice any spending habits that you would like to change?
4. Did you have any unexpected expenses that changed how you had to budget for the month?
5. What is one thing you could change about your spending habits that would make it easier for you to reach your goals?
6. How will you stay on track to meet your goals?

Keep this in your budget folder. We will answer these questions several times to continue to reflect on how your goals change and how to improve your budget.

EXIT TICKET

Give one reason why it is important to create and stick to a budget.

How can budgeting impact your overall wealth?

What role do your needs and wants play when creating a budget?

Name _____

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Lesson 4: Creating Your Budget

Grade: 1-8

Objective: Students will understand how to categorize their money to allow them to save and prioritize their money.

Procedure:

1. Using the *Building Your Own Budget* worksheet, help students build a budget based on their past week of spending. **Note:** Please be aware of the stratus of social economic status in your classroom and approach this lesson with privacy in mind.
2. When students are writing their goals encourage them to think big and small. Building a budget can incorporate something you want next week as well as something you want five (or more!) years from now.
3. Do not collect the budget handouts. Send them home with the students to protect their privacy and to allow them to reflect and focus on their goals and habits.
4. Next start working on the My Budget packet. Handout the *Envelope Category* pages (the color coded budget sheets) for each student to cut out. Students will need one envelope for each category they will be creating. Guide students through the possible categories for their envelopes. Possible categories include:
 - a. Spending
 - b. Saving
 - c. Giving
 - d. A specific goal
 - e. Other – Encourage students to think big and small for future wants and needs. It is never too early to start saving toward your goals.
5. Next, hand out the *Monthly Budget Worksheets*. Give students time to write a goal and any information they would like to include.
6. Each student will need a binder or folder to keep their budget material in. This folder should be able to be kept at home in a safe place since their money will be going into the envelopes. So their daily school binder should not be used for this.
7. Walk students through each category on the *Monthly Budget Worksheet*. This will be the first of many of these sheets. On the first day of each month give your students a new Monthly Budget Worksheet to add to their folder.
8. Instruct them to keep their old *Monthly Budget Worksheets* so they can reflect on their spending habits and choices.
 - a. You can prompt them by asking, Did the toy they bought give them the joy they hoped for? Or is it now at the bottom of the toy bin?
 - b. Another possibility is to have students rate their purchase on a “Joy/Necessity Scale.”
 - i. If the purchase gave them great joy or was completely necessary, they would rate it a 6-10. 10 being the highest.
 - ii. If it’s a purchase they didn’t enjoy or wasn’t completely necessary, they should rate it a 1-5. 1 being the lowest.
9. Instruct students to keep each Budget Reflection Worksheet in their Budget Folder. Have them do the reflection quarterly to see how their budget and goals have changed as they have tracked their spending.

10. The intent for this lesson is for students to form a habit of reflecting on their financial decisions. As their teacher you can help them form the habit by returning to the lesson monthly to encourage them to continue to track and categorize their spending.
11. Close the lesson by giving each student an Exit Ticket to reflect on the importance of budgeting.
12. **After the first month** of tracking their income and expenses, give students the *Budget Reflection Questions Worksheet*. Each month you revisit their budget (or quarterly) allow students time to reflect on how their goals and budget have changed.