Budget Builder

What You Need

+ A pencil or crayon
+ This worksheet
+ Online access

What to Do

Part 1: Try the Savings Goal Budget Calculator

1. Open the Savings Goal Budget Calculator provided with this lesson.
www.restoverriches.com/app/savings-goal-budget-calculator
2. Start with an income of $1,000 (already entered for you).
3. Add expenses using the calculator (you can pretend you have grown-up expenses):

- Mark each one as either Necessary (things you must pay for) or Discretionary (optional, fun things).
- Example necessary expenses: rent, food, transportation, utilities.
- Example discretionary expenses: eating out, movie night, buying a toy.

4. Set your savings goal (for example, saving $150 for a bike).
5. Watch how the calculator automatically shows:

- Total income
- Necessary and discretionary totals
- Leftover before and after your goal
- Whether you are on track or need to adjust

6. Adjust your discretionary expenses until you can still meet your savings goal.
This will help you see how every dollar has a job, and how changing one choice affects your whole budget.

Part 2: Create Your Own Budget (printable on the next page)

Print out the Budget Builder Worksheet provided. Use it to practice making a budget with your own monthly income and expenses. If you don't have income and expenses right now, you can get creative and pretend!

Step 1: Earn money. Spend money on your needs.

- **Income:** Write down all the ways you get money (allowance, gifts, odd jobs).
- **Spending (Needs):** First, write down your necessary expenses. These are things you must pay for, like food, school lunch, or replacing worn-out shoes.
- Subtract the total amount you spent on needs from from your total income.

Step 2: Put what's left into each basket

Now take the money that's left and decide how much to put into each basket:

- **Saving:** Money set aside for short-term goals, like a bike, trip, or new shoes.
- **Giving:** Money you plan to use to help others.
- **Investing:** Money set aside to grow for the future.
- **Spending (Wants):** Fun things you enjoy, like games, toys, or snacks.

Step 3: Review

Add up the totals from all four baskets including "Spending (Needs)" and "Spending (Wants). The total should equal your income. If every dollar has a job, covering your needs first, then filling your baskets, you've built a healthy budget!

NOTE 1: If you're wondering how much to put into the savings, giving, and investing baskets, you're asking a very important question. This question is too complex to answer for an introductory course like Money Explorers. Also, the amounts will look different for every individual, based on the financial needs and goals of the individual. Do your own research, and seek wisdom from trustworthy sources.

NOTE 2: This activity may be too advanced for some learners. If so, don't be discouraged! Everyone learns at their own pace. Do what you can, and leave the rest for another time.

The 4 Basket Budget Builder Worksheet

Use this worksheet to practice building your own ***monthly*** budget.

Step 1: Earn Money. Spend money on your needs.

1. Income

List ways you make money each month.

Income Sources	Amount
	$
	$
Total Income	$

2. Spending Basket (Needs)

Money you ***need*** to spend.

Spending (needs)	Amount
	$
	$
Total Spending (needs)	$

3. What's Left

$ _____ **Total Income**

\- $ _____ **Total Expenses (needs)**

= $ _____ ***What's Left***

Step 2: Put *what's left* into each basket.

Now take the money that's left and decide how much to put into each basket.

1. Saving Basket

For short-term goals (bike, camp, car).

Saving	Amount
	$
	$
Total Saving	$

2. Giving Basket

To share with others (gift, missions).

Giving	Amount
	$
	$
Total Giving	$

3. Investing Basket

To grow for the future (baskets of stocks).

Investing	Amount
	$
	$
Total Investing	$

4. Spending Basket (Wants)

Money you ***want*** to spend (fun things).

Spending (wants)	Amount
	$
	$
Total Spending (wants)	$

Step 3: Review

Add the totals from each basket.

$ _____ **Total Spending (needs)**

\+ $ _____ **Total Spending (wants)**

\+ $ _____ **Total Saving**

\+ $ _____ **Total Giving**

\+ $ _____ **Total Investing**

= $ _____ **Total**

The total should equal your income, so every dollar has a job.

High five! You've covered your needs, filled your baskets, and made a healthy budget!