Budgeting

*Understand the major components of an independent adult’s budget.*

*Become familiar with vocabulary needed to budget appropriately.*

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| **Word** | **Definition** |
| **Budget** |  |
| **Discretionary Spending** |  |
| **Expenditures** |  |
| **Surplus** |  |
| **Deficit** |  |
| **Impulse Buying** |  |
| **Long-Term Goals** |  |
| **Short-Term Goals** |  |

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| **Needs** | **Wants** |
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### **Assess your values around purchases**

Review the list below, putting a:

* **1** next to those that are needs for you,
* a **2** next to high priority wants, and
* a **3** next to low priority wants.
* You can leave some blank if they don’t fit into your lifestyle at all.

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| **#** | **ITEM** |  | **#** | **ITEM** |
|  | In-style clothing or the latest trends |  |  | Personal hobbies (membership or entry fees, equipment, uniforms, etc) |
|  | Subscriptions (Netflix, Hulu, magazines, newspapers, etc) |  |  | Professional expenses (books, resources, subscriptions, membership fees, conference attendance, etc) |
|  | At-home entertainment (books, movie rental, music purchases, hosting friends, etc) |  |  | Out-of-home entertainment (amusement parks, movies, bowling, etc) |
|  | Cable television |  |  | Charitable donations |
|  | Vacations, travel |  |  | Vehicle upgrades |
|  | Electronics (tv, stereo, video games, phones, etc) |  |  | Non-essential beauty/hygiene or grooming items/services |
|  | Holiday and other gift giving |  |  | Premium or pay-per-view cable content |
|  | Eating out |  |  | Gym membership |
|  | Premium coffee (Starbucks, etc) |  |  |  |

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| **Average Family Budget** | **Creating a Budget**  **1.**  **2.**  **3.**  **4.** |
| **Tricks for Building a Budget**  1.  2.  3.  4.  5. | 6.  7.  8.  9.  10. |

**50-20-30 Plan**

50%

20%

30%

**Actual Numbers** (Household of 3 (2 adults, 1 child); 2 dogs and a cat)

|  |  |
| --- | --- |
| Automobile  Gas $\_\_\_\_\_\_\_  Service and Parts $\_\_\_\_\_\_\_  Food  Groceries $\_\_\_\_\_\_\_ | Eating Out (fast food and restaurants) $\_\_\_\_\_\_\_  Kids $\_\_\_\_\_\_\_  (supplies- like diapers and wipes, clothing, activities, toys)  Pets (food, vet., grooming, medicine) $\_\_\_\_\_\_\_ |