

## Budgeting Basics

*Summary:* Your child will understand the basics of a budget and how to put one together

*Age Group:* For high school students

*Materials:* Pen and paper or laptop/tablet, sticky notes

*Instructions:*

A budget is a tool that will help you plan out your spending and saving, ensuring you do not run out of money before paying bills and purchasing essentials. A budget contains **fixed expenses** which are expenses that do not fluctuate, such as rent, car payments, students loans, etc. **Variable expenses** are also factored into a budget. These expenses change based on usage, such as utilities (electricity, water, etc.) and groceries. When budgeting, it is also important to prioritize, ensuring you have enough to pay for your living expenses. This includes having money for **planned expenses**, such as gifts, vacations, events, etc. and **unplanned expenses** such as illness, emergencies, home repairs, etc. Keeping these terms in mind, complete the following activity.

1. Watch [this quick video](#) from Bank of America about creating a budget.
2. Get 4 different sheets of paper. On one sheet, write “fixed expenses”, on another write “variable expenses”, on another write “planned expenses” and on another write “unplanned expenses”.
3. Next, brainstorm a list of things you or others spend money on. Think about bills, clothing, entertainment, food, medical expenses, etc. If you need help coming up with things, ask your parents or those at home with you about some things they budget for.
4. Once you have your list, write each budget item either on a sticky note or on scraps of paper (one budget item per paper).
5. Next, place each scrap of paper or sticky note under the appropriate category (fixed, variable, planned, or unplanned). Once you have done this, discuss it with a parent or adult at home. How do they plan for unexpected or unplanned expenses?

*Extension:* Now it's your turn! Using the 6 steps discussed in the video above, create your own budget. If you do not have a source of income or are not making money, create a budget based off of the income for the job you would like to have. Not sure what that is? Do some research! Use the [Occupational Outlook Handbook](#) for research should you need it.

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