

# A Child's Budget (Key)

A budget helps your child to keep track of his or her money. When your child tracks how much money comes in and how much goes out, your child can see how well he or she uses money. Ideally, you want your child to have more money coming in than going out.

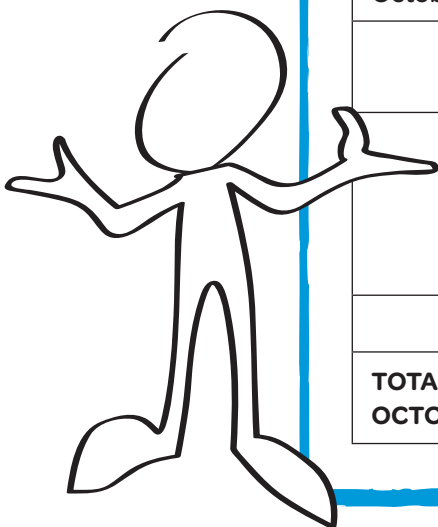
A budget needs to be for a certain period of time. One week is a good starting point for a child. Most adults create a monthly budget or an annual budget. **Correct answers are in bold following the five questions.**

## Budget #1

Date	Money Coming In	Date	Money Going Out
October 1	\$5 for allowance		
		October 3	85¢ for candy from a vending machine
		October 5	\$1.00 for a soft drink
<b>TOTAL FOR OCTOBER 1-7</b>	<b>\$5.00</b>	<b>TOTAL</b>	<b>\$1.85</b>

## Budget #2

Date	Money Coming In	Date	Money Going Out
October 8	\$5 for allowance		
		October 9	\$1.00 for candy from a vending machine
		October 12	\$1.00 for a soft drink
		October 14	\$3.00 for paying back brother for lending me money
<b>TOTAL FOR OCTOBER 8-15</b>	<b>\$5.00</b>	<b>TOTAL</b>	<b>\$5.00</b>



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1. Which budget is better? Why?

**Budget #1 because the child has more money coming in than going out**

2. Which budget shows that money was saved?

**Budget #1 because the child has more money coming in than going out**

3. How much money was saved?

**\$3.15 (\$5.00 - \$1.85 = \$3.15)**

4. Which budget shows responsible money use? Why?

**Both budget #1 and budget #2. The child with budget #1 shows that he or she knows how to save money. The child with budget #2 shows that he or she can pay back money owed and not overspend.**

5. What is important for creating a budget?

- a) **Having a timeline (one week for both budget #1 and budget #2)**
- b) **Listing each time money comes in with the date**
- c) **Listing each time money as spent with the date**
- d) **Totaling up the money coming in and going out at the end of the budget time period**
- e) **Comparing the totals of the money coming in and the money going out so that you know how well you're tracking your money**