Follow the Funds

Where public money comes from and where it goes

SS24.E.7c "Explain how the budgetary categories of government revenue and expenditures impact the collection of taxes and the distribution of resources."

NAME _____ DATE _____

GOVERNMENT REVENUE

Revenue is money the government collects. A revenue plan shapes which taxes and fees the government must collect.

Parking-meter charges enter a town treasury.

GOVERNMENT SPENDING

Spending is money the government budgets or pays for workers, services, and projects. These choices direct resources to particular needs.

A national marine office funds a study of coral reefs.

1 SORT

8 items

Circle REVENUE or SPENDING for each numbered item, then pick two items and explain how you knew where each belonged.

1.	The federal government collects payroll taxes.	REVENUE SPENDING
2.	A state budgets money for school textbooks.	REVENUE SPENDING
3.	A city pays firefighters' wages.	REVENUE SPENDING
4.	A state budgets money to repair highways.	REVENUE SPENDING
5.	The federal government collects tariffs on imported goods.	REVENUE SPENDING
6.	A county collects property taxes.	REVENUE SPENDING
7.	A county pays for library internet access.	REVENUE SPENDING
8.	A state funds wastewater treatment.	REVENUE SPENDING

2 PROVE IT

Explain your thinking

Pick two items from Part 1. For each one, tell how you knew where it belonged.

ITEM # _____ **HOW I KNEW** _____

ITEM # _____ **HOW I KNEW** _____

3 MAKE YOUR OWN

One of each

Write one new example of government revenue and one new example of government spending; do not repeat the sorted items or the rule-box examples.

REVENUE _____

SPENDING _____

CHALLENGE

Write two sentences: explain how a drop in one revenue source could affect a spending choice, and name a group that could receive fewer resources.

ANSWER KEY # Follow the Funds

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PART 1 · SORT

#	ITEM	CATEGORY	WHY
1	The federal government collects payroll taxes.	**REVENUE**	Payroll taxes are money collected by the federal government.
2	A state budgets money for school textbooks.	**SPENDING**	The state directs money toward educational materials.
3	A city pays firefighters' wages.	**SPENDING**	The city pays workers who provide a public service.
4	A state budgets money to repair highways.	**SPENDING**	The state directs money toward road repairs.
5	The federal government collects tariffs on imported goods.	**REVENUE**	Tariffs bring money into the federal government.
6	A county collects property taxes.	**REVENUE**	Property taxes bring money into the county government.
7	A county pays for library internet access.	**SPENDING**	The county pays for a public library service.
8	A state funds wastewater treatment.	**SPENDING**	The state directs money toward a public service.

PART 2 · PROVE IT

Accept any explanation that names the deciding feature from the rule box for the chosen item.

PART 3 · MAKE YOUR OWN (SAMPLE ANSWERS)

- **REVENUE**: A state collects sales tax from store purchases.
- **SPENDING**: A city pays to maintain public playgrounds.

Challenge: If property tax revenue falls, a county might cut its library internet budget. Library users could then have less access to online resources.

For Part 2, accept explanations that identify money entering government for REVENUE or government funds directed to a public use for SPENDING. Items 1, 5, and 6 are REVENUE; the others are SPENDING.