Plan Every Dollar

See how a budget guides choices about saving and spending.

SS6E13.b "Understand that a budget is a tool to plan the spending and saving of income."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each dollar amount in Anika's original budget, including her income. Circle the amount she later moves to savings, so you can see how her budget assigns income before she spends it.

Anika's Market-Stall Income

1 On Saturday, Anika received $90 for two weeks of helping at her aunt's market stall. This money is her income. Before she bought anything, Anika made a budget, a plan for how she would use the $90. Her plan gave $30 to savings for a future bike repair, $25 to bus fares and lunches, $20 to a birthday gift for her cousin, and $15 to snacks and music downloads. The amounts add to all of her income.

2 Saving first helps Anika protect money for an important goal. Her bus fares and lunches are regular needs, so she planned for them before choosing treats. The gift is a planned expense because she already knew about the birthday. Snacks and music downloads are wants. A budget does not force Anika to buy every item. Instead, it helps her decide what she can spend without using money set aside for savings or needs later that week.

3 At the end of the week, Anika spent only $18 on bus fares and lunches because she packed food twice. She did not spend the extra $7 right away. She changed her budget by moving it to bike-repair savings, making her savings total $37. When a cost is lower or higher than expected, a person can review a budget and make a new choice. The total planned spending and saving should still match the income available.

2 ANSWER WITH EVIDENCE

Use the passage

1. What was Anika's income, and why did she make a budget before buying anything?

2. How much did Anika originally plan for savings, bus fares and lunches, the gift, and wants?

3. Why did Anika plan for bus fares and lunches before treats?

4. How did Anika change her budget after spending less on bus fares and lunches, and how did her new plan still equal her income?

3 YOUR TURN

Your own words

You receive $60 in income. Make a budget that assigns all $60 to savings, one need, one planned expense, and one want. Give a reason for each choice.

CATEGORY	PLANNED AMOUNT	REASON

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PART 1 · READ AND MARK

Underline each dollar amount in Anika's original budget, including her income. Circle the amount she later moves to savings, so you can see how her budget assigns income before she spends it. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What was Anika's income, and why did she make a budget before buying anything?	**Her income was $90. She made a budget to plan how she would use all of that money before spending it.**
2	How much did Anika originally plan for savings, bus fares and lunches, the gift, and wants?	**She planned $30 for savings, $25 for bus fares and lunches, $20 for the gift, and $15 for snacks and music downloads.**
3	Why did Anika plan for bus fares and lunches before treats?	**Bus fares and lunches were regular needs. Planning for them first helped protect money needed for those expenses.**
4	How did Anika change her budget after spending less on bus fares and lunches, and how did her new plan still equal her income?	**She moved the extra $7 to savings, making savings $37. Then $37 + $18 + $20 + $15 = $90, which equals her income.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

CATEGORY	PLANNED AMOUNT	REASON
Savings	$20	I am saving for a replacement backpack.
Bus fares	$18	I need transport for school activities.
Birthday present	$12	I know my cousin's birthday is next week.
Game app	$10	This is a want I can afford after my other plans.

Accept question responses that use the stated amounts and explain that a budget plans income for savings and spending. For the open task, accept any four categories and reasons if the amounts total exactly $60 and include savings, a need, a planned expense, and a want.