

Mia's Money Plan

Read a budget and decide whether planned costs fit available income.

SS6E13 "Understand that a basic principle of effective personal money management is to live within one's income."

NAME _____

DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the four dollar amounts that name Mia's planned expenses in paragraph 2, but do not underline her income, the expenses total, savings amount, or the headphones price, so you can see whether her spending plan fits her income.

A Plan for Each Dollar

- ① Mia earns \$60 each week by helping at her aunt's bakery on Saturday. She wants to use her money carefully because she is saving for a bike. Before the week begins, Mia writes down the money she expects to receive and the choices she plans to make. A plan like this is called a budget. A budget helps a person compare income, which is money received, with expenses, which are the costs of things they choose to buy.
- ② From her \$60 income, Mia plans to spend \$12 on a bus pass, \$8 on a birthday card for her cousin, \$10 at the school canteen, and \$15 on a streaming subscription. These four planned expenses add to \$45. Mia also puts \$15 into savings for her bike. Her expenses plus savings equal \$60, so she has not planned to use more money than she earns. Her plan leaves no extra money for unplanned shopping.
- ③ At the shops, Mia sees headphones costing \$18. She likes them, but buying them would mean using money set aside for her bus pass, food, card, subscription, or bike savings. Instead of borrowing money or spending beyond her plan, she decides to wait. Next week, she can make a new budget and decide whether the headphones fit after she lists her income, needed expenses, and savings goal. Living within income means planned costs do not exceed available money.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What is Mia's weekly income, and what are her four planned expenses worth altogether?

2 How does Mia's savings choice help her use no more than she earns?

3 If Mia bought the \$18 headphones without changing her plan, how much money would she plan to use? Would this be within her income?

4 What does Mia decide to do instead of buying the headphones, and what will she do next week?

3 YOUR TURN _____ Your own words

Create a budget for a week when you receive \$50. In the first row, record your income. In the next three rows, choose planned expenses or savings, then use the final row to show the total planned use. Do not plan to use more than \$50.

BUDGET ITEM	AMOUNT	TYPE OR REASON

PART 1 • READ AND MARK

Underline the four dollar amounts that name Mia's planned expenses in paragraph 2, but do not underline her income, the expenses total, savings amount, or the headphones price, so you can see whether her spending plan fits her income. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What is Mia's weekly income, and what are her four planned expenses worth altogether?	Her weekly income is \$60, and her four planned expenses total \$45.
2	How does Mia's savings choice help her use no more than she earns?	She puts \$15 into savings. Her \$45 in expenses plus \$15 in savings equals her \$60 income.
3	If Mia bought the \$18 headphones without changing her plan, how much money would she plan to use? Would this be within her income?	She would plan to use \$78. No, this is \$18 more than her \$60 income.
4	What does Mia decide to do instead of buying the headphones, and what will she do next week?	She decides to wait. Next week, she will make a new budget and check whether the headphones fit after listing her income, needed expenses, and savings goal.

PART 3 • YOUR TURN (SAMPLE ANSWER)

BUDGET ITEM	AMOUNT	TYPE OR REASON
Income	\$50	money received
Bus fare	\$10	planned expense
Lunch money	\$8	planned expense
Bike savings	\$20	savings
Total planned use	\$38	within income

Accept any realistic budget that shows \$50 income and a total of \$50 or less for the three planned expenses or savings choices. Students may leave some income unassigned, as long as they do not plan to use more than they receive.