Money Has a Job

Read a family budget and compare what changes it.

5.E.5 "Explain the purpose and components of a personal budget, and compare factors that influence household saving and spending decisions."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the sentence that explains why the family uses a budget, circle the dollar amounts in its plan, and number the two changes that could affect its choices.

Maya's Family Budget

1. On Sunday evenings, Maya and her dad plan where their household's money will go. They make a personal budget, a plan for income, spending, and saving over a set time. Their income is the money Dad brings home from work. A budget helps them pay for needs before buying wants, avoid spending more than they have, and move toward a goal. Maya likes seeing how choices today can change what they can do later.

2. This week, Dad expects $400 in income. The family plans to spend $180 on rent, $90 on food, $40 on bus fare, and $30 on electricity. Those needs total $340, leaving $60. They choose to put $40 into savings for a future visit to Grandma and keep $20 for a movie. Writing each amount in the budget shows that all $400 has a job.

3. The plan may change. If bus fare rises by $10, the family could keep saving $40 and cut movie spending to $10. If Dad instead earns an extra $10 from work, they could keep the movie money and save $50. A higher cost for a need leaves less for a want. More income gives them room to save more. In either case, the family checks the budget before deciding.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does making a budget help Maya's family make choices about its money?

2. How does the family plan to use all $400 of its income? Include spending and saving in your answer.

3. Why could the family cut movie spending if bus fare rises?

4. Compare the two possible changes. How would a bus fare increase affect the plan differently from extra income?

3 YOUR TURN

Your own words

Invent a household with $100 in weekly income. In 3 to 4 sentences, give dollar amounts for at least one need, one want, and a savings goal that add to $100, then explain how a $10 increase in a need would change the plan.

ANSWER KEY

Money Has a Job

GRADE 5 · 5.E.5

PART 1 · READ AND MARK

Underline the sentence that explains why the family uses a budget, circle the dollar amounts in its plan, and number the two changes that could affect its choices. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does making a budget help Maya's family make choices about its money?	**It helps the family pay for needs first, avoid spending more than its income, and save toward a goal.**
2	How does the family plan to use all $400 of its income? Include spending and saving in your answer.	**The family plans to spend $340 on needs and $20 on a movie, then put $40 into savings.**
3	Why could the family cut movie spending if bus fare rises?	**Bus fare is a need, while the movie is a want. The budget puts needs before wants.**
4	Compare the two possible changes. How would a bus fare increase affect the plan differently from extra income?	**A $10 bus fare increase could reduce movie spending from $20 to $10. An extra $10 of income could raise savings from $40 to $50 while movie spending stays at $20.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

My household has $100 in weekly income. It budgets $50 for food, $20 for bus rides, $10 for games, and $20 in savings for a bike. If bus rides cost $10 more, it spends $30 on bus rides and $0 on games. Food stays at $50 and savings stays at $20, so the new plan still totals $100.

Accept different spending choices if the original amounts total $100 and the revised plan accounts for the $10 increase without exceeding income.