Budget Money Moves

Sort the money coming in from the money going out.

E.4.3 "Describe the major revenue and expenditure categories in state and federal budgets and their respective proportions, and the challenges of achieving a balanced budget."

NAME _____ DATE _____

REVENUE

Revenue is money a government receives. Taxes and fees are common sources of revenue.

Lottery ticket proceeds

EXPENDITURES

Expenditures are money a government pays for programs, services, or other costs.

Wildfire response costs

1 SORT

8 items

For Part 1, circle REVENUE or SPENDING for each item; for Part 2, choose one item from each category and explain how you knew.

1.	State motor vehicle registration fees collected	**REVENUE** **SPENDING**
2.	Federal corporate income taxes collected	**REVENUE** **SPENDING**
3.	Federal Medicare payments to health care providers	**REVENUE** **SPENDING**
4.	State sales taxes collected from shoppers	**REVENUE** **SPENDING**
5.	State payments to public school districts	**REVENUE** **SPENDING**
6.	Federal salaries for active-duty military personnel	**REVENUE** **SPENDING**
7.	Federal income taxes collected from workers	**REVENUE** **SPENDING**
8.	State payments for highway repairs	**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

For Part 3, write one new example of government revenue and one new example of government spending.

REVENUE _____

SPENDING _____

CHALLENGE

A state collects $90 billion and spends $100 billion. What percent of its spending does revenue cover? Propose one change that would balance the budget, and explain one trade-off.

Budget Money Moves

PART 1 · SORT

#	ITEM	CATEGORY	WHY
1	State motor vehicle registration fees collected	**REVENUE**	Registration fees bring money into the state budget.
2	Federal corporate income taxes collected	**REVENUE**	These taxes bring money into the federal budget.
3	Federal Medicare payments to health care providers	**SPENDING**	These payments are money the federal government spends.
4	State sales taxes collected from shoppers	**REVENUE**	Sales taxes bring money into the state budget.
5	State payments to public school districts	**SPENDING**	These payments are money the state spends.
6	Federal salaries for active-duty military personnel	**SPENDING**	Salaries are money the federal government spends.
7	Federal income taxes collected from workers	**REVENUE**	Income taxes bring money into the federal budget.
8	State payments for highway repairs	**SPENDING**	Repair payments are money the state spends.

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**: Federal customs duties collected on imported goods.
- **SPENDING**: Federal funding for space research missions.

Challenge: Revenue covers 90% of spending. Cutting expenditures by $10 billion would balance the budget, but people might lose services they rely on.

For Part 2, accept explanations that identify money received as revenue and money paid out as spending. The challenge uses a hypothetical budget; actual budget proportions vary by year and government.