

What Is a Budget? | Worksheet



Matching

Match the definition in Column A with the budgeting term in Column B.

Column A

- _____ Things that are absolutely necessary.
- _____ Things that are enjoyed but not essential.
- _____ Amount of money set aside for future expenses.
- _____ Total of all money earned in a given period of time.
- _____ A plan that tracks money earned, spent, and saved.

Column B

- a. Budget
- b. Income
- c. Needs
- d. Savings
- e. Wants

Multiple Choice

1. **What is the most important reason to have a budget?**
 - a. To have enough money to spend on wants
 - b. To never need to save money for the future
 - c. To be prepared to achieve financial goals
 - d. To have enough money to retire early
2. **What is the name of a rule that a person can use to help determine what should be planned for needs, wants, and savings?**
 - a. 10% Rule
 - b. 50-30-20 Rule
 - c. Rule of 72
 - d. 30-day Rule
3. **According to the rule you learned in the video, how much of your income should be put toward your savings?**
 - a. 10%
 - b. 20%
 - c. 30%
 - d. 50%
4. **Which of the following is an example of a "want" category in your budget?**
 - a. House payments
 - b. Groceries
 - c. Medical bills
 - d. Going out with friends

Application:

Calculate your total monthly income. Draw a pie chart and fill it in using the budget rule you learned in the video. Label each section with the appropriate category (Needs, Wants, and Savings) and the dollar amount based on your income.



What Is a Budget | Answer Key

Matching

Match the definition in Column A with the budgeting term in Column B.

Column A

- c. Things that are absolutely necessary.
- e. Things that are enjoyed but not essential.
- d. Amount of money set aside for future expenses.
- b. Total of all money earned in a given period of time.
- a. A plan that tracks money earned, spent, and saved.

Column B

- a. Budget
- b. Income
- c. Needs
- d. Savings
- e. Wants

Multiple Choice

1. **What is the most important reason to have a budget?**
 - a. To have enough money to spend on wants
 - b. To never need to save money for the future
 - c. **To be prepared to achieve financial goals**
 - d. To have enough money to retire early
2. **What is the name of a rule that a person can use to help determine what should be planned for needs, wants, and savings?**
 - a. 10% Rule
 - b. **50-30-20 Rule**
 - c. Rule of 72
 - d. 30-day Rule
3. **According to the rule you learned in the video, how much of your income should be put toward your "savings"?**
 - a. 10%
 - b. **20%**
 - c. 30%
 - d. 50%
4. **Which of the following is an example of a "want" category in your budget?**
 - a. House payments
 - b. Groceries
 - c. Medical bills
 - d. **Going out with friends**

Application

Assess students' responses. Provide a hypothetical monthly income for the worksheet's application section, or let students use their personal financial numbers for a realistic touch. Students should have 50% allocated to needs, 30% to wants, and 20% to savings.