FINANCEFIEND | UNIT 1: BUDGETING & SAVING

Name: _____ Class/Period: _____ Date: _____

ANSWER KEY — Responses correspond to the numbered student prompts.

Lesson 1 of 3: Budgeting

BUDGETING — Core Concepts

1. A budget is a _____ for using money; it tracks _____, spending, and money left for _____ or other goals. **[Answers: plan; income; saving]**

2. A budget helps prioritize _____ before _____ and make progress toward financial _____. **[Answers: needs; wants; goals]**

3. _____ is money received (job, allowance, gifts); _____ are amounts spent (food, clothing, bills). **[Answers: Income; expenses]**

4. Monthly example: $100 income – $90 expenses = $_____ remaining. **[Answers: 10]**

5. A financial _____ is something you plan to accomplish with money. For a $300 bike with $180 saved, $_____ remains; at $30/week, that is _____ weeks. **[Answers: goal; 120; 4]**

6. _____ is money owed. _____ is the cost of borrowing; _____ are additional charges. Late payments on certain debts can harm a _____ score. **[Answers: Debt; interest; fees; credit]**

7. Managing debt: spend within your _____, plan bills, make payments on _____, and have a realistic repayment plan. **[Answers: means; time]**

BUDGETING — Methods and 50/30/20

8. Four budgeting methods: (1) _____ and _____; (2) printable budget _____; (3) _____ (such as Excel or Google Sheets); (4) budgeting _____. **[Answers: pencil; paper; sheets; spreadsheets; apps]**

9. Spreadsheets can use _____ to calculate totals; some apps can connect to accounts and track _____ automatically. **[Answers: formulas; transactions]**

10. The 50/30/20 guideline divides income into _____% needs, _____% wants, and _____% savings. Percentages are _____, not strict requirements. **[Answers: 50; 30; 20; guidelines]**

11. For $2,000 monthly income: needs = $_____; wants = $_____; savings = $_____. **[Answers: 1,000; 600; 400]**

12. Needs include housing, utilities, food, transportation, insurance, and basic _____. Wants include hobbies, dining out, shopping, and _____. **[Answers: clothing; travel]**

13. Monthly _____-home pay is earnings after taxes and deductions. Needs target = income × _____; wants = income × _____; savings = income × _____. **[Answers: take; 0.50; 0.30; 0.20]**

BUDGETING — Seven Steps

14. 1. Know your _____: total expected monthly income, including take-home pay. **[Answers: income]**

15. 2. Calculate your _____ budget (monthly income × 0.50). **[Answers: needs]**

16. 3. Calculate your _____ budget (monthly income × 0.30). **[Answers: wants]**

17. 4. Calculate your _____ budget (monthly income × 0.20). **[Answers: savings]**

18. 5. Record _____ spending from receipts, bank statements, or banking apps; categorize each transaction. **[Answers: actual]**

19. 6. Compare planned with actual: Budget balance = _____ budget – _____ spending. **[Answers: planned; actual]**

20. A _____ balance means under budget; _____ means exactly on budget; _____ means over budget. Example: $600 planned – $650 spent = $_____. **[Answers: positive; zero; negative; -50]**

21. 7. _____ your budget: review other categories, reduce _____ expenses, consider more income, or direct extra money to goals. **[Answers: Adjust; nonessential]**

Lesson 2 of 3: Reducing Expenses

REDUCING EXPENSES — Unit Pricing

22. _____ price is the cost per ounce, pound, roll, or item. Formula: Unit price = _____ price ÷ number of _____. **[Answers: Unit; total; units]**

23. Compare products using the _____ units (e.g., ounces with ounces). Unit prices often appear on store _____ labels. **[Answers: same; shelf]**

24. Toilet paper A: $5.99 for 12 rolls ≈ $_____/roll. B: $7.99 for 18 rolls ≈ $_____/roll. Better unit value: _____. **[Answers: 0.50; 0.44; B]**

25. A lower _____ price does not always mean a lower _____ price. Buy a quantity you will actually _____. **[Answers: total; unit; need]**

Lesson 3 of 3: Saving Money

SAVING MONEY — Strategies and Expenses

26. Saving means setting aside part of your _____ instead of spending it immediately. It helps with emergencies and long-term _____. **[Answers: income; goals]**

27. Five methods: automatic _____; saving spare _____; adding savings to a _____; purchase _____-up programs; personal savings _____. **[Answers: transfers; change; budget; round; challenges]**

28. _____ expenses are predictable (phone bills, gifts, registration); _____ expenses arise unexpectedly (repairs, medical bills). **[Answers: Planned; unplanned]**

29. Holiday gifts example: $550 goal over 11 months → $_____ per month. Savings per period = total _____ ÷ number of periods. **[Answers: 50; cost]**

30. Seven planned-expense steps: (1) set a _____; (2) choose a _____; (3) calculate the savings _____; (4) keep money _____; (5) _____ savings; (6) adjust your _____; (7) stay _____. **[Answers: goal; deadline; amount; separate; automate; budget; consistent]**

SAVING MONEY — Emergency Funds

31. An _____ fund is money reserved for unexpected necessary costs and financial difficulties, reducing reliance on _____ or loans. **[Answers: emergency; credit cards]**

32. Long-term guideline: _____ to _____ months of essential expenses, including housing, groceries, utilities, transportation, and insurance—not usually entertainment. **[Answers: 3; 6]**

33. At $2,000 essential expenses/month: 3-month target = $_____; 6-month target = $_____. Build gradually. **[Answers: 6,000; 12,000]**

34. Under 50/30/20, the _____% category may fund emergencies and other savings goals; emergency savings may be prioritized. **[Answers: 20]**

SAVING MONEY — Pay Yourself First

35. “Pay yourself _____” means saving as soon as income arrives, before spending what remains. This can be done through _____ transfers. **[Answers: first; automatic]**

36. Pay frequencies and yearly counts: weekly _____; biweekly _____; semi-monthly _____; monthly _____. **[Answers: 52; 26; 24; 12]**

37. For a $624 one-year laptop goal: weekly $_____; biweekly $_____; semi-monthly $_____; monthly $_____ per paycheck. **[Answers: 12; 24; 26; 52]**

38. For a $1,300 one-year vacation goal with 26 biweekly paychecks, save $_____ each paycheck. **[Answers: 50]**