

What is a Budget?

A budget is like a plan that helps you manage your money. It's a way to keep track of how much money you have and how you want to spend it. Just like you make a plan for your school projects, homework or activities you do, a budget is a plan for your money.

Let's say you receive a weekly allowance of \$10. With a budget, you can decide how you want to use that money. You might decide to save some of it to buy something special later, spend some of it on things you need you need or things you want like school supplies or snacks, and maybe even set aside some money to give to others or donate to a good cause.

Having a budget is useful because it helps you make smart choices about your money. It helps you understand where your money is going and how much you have left. When you have a budget, you can avoid spending all your money right away and not having any left for things you might need or want later.

A budget also teaches you about saving and setting goals. You can decide how much money you want to save each week and watch your savings grow. This way, you'll be able to afford bigger things you really want, like a new toy or a special outing with your friends or family.

Budgets are used by adults too. They help adults make decisions about how to spend their money on things like food, clothes, bills, and other important expenses. It's a way for them to be responsible with their money and make sure they have enough for everything they need.

Remember, a budget is a helpful tool to plan and keep track of your money, and it's something you can start using even at a young age to become wise with your finances.



1. In your own words, explain what a budget is and how having a budget is helpful.
2. Explain how having a budget could help you with things you want or need.
3. It has been said that having budgets help with smart choices. Why is this?