



Budgeting

Budgeting teaches the basics of money management: keeping track of money, saving, planning for spending and living within your means. Introduce your child to budgeting as soon as they start using money.



★ START A BUDGET

When your child starts budgeting, make it simple. Have them track the money they earn and spend for a week using the [Youth budget sheet](#) in the **EXTRAS** section. At the end of the week, review their budget and talk about how they might improve next month. Ask:

- ▶ What did you enjoy spending your money on?
- ▶ What did you regret spending your money on?
- ▶ How can you reduce your spending and save more?
- ▶ How can you make more money?

★ **BUILD ON WHAT THEY LEARNED**

Once your child has gotten used to tracking their spending, take it to the next level. Have them estimate how much they could earn in a week or month, and make a plan for how they would like to spend their money the following week or month. This plan should also include money for saving. Ask:

- ▶ What do you plan to spend your money on (for example, clothing, entertainment, cellphone, etc.)?
- ▶ How much do you plan to spend on each category?
- ▶ Which categories are more important to you? Why?
- ▶ Did you build saving into your budget? What are you saving for?

TIPS FOR TEACHING BY EXAMPLE

Giving allowance – Before giving your child an allowance, talk about how it should be managed. Encourage them to “pay themselves first” by saving a portion of their allowance before spending. Next, decide what portion of the remainder should be spent, shared and invested.



Youth budget sheet

Name: _____

Month: _____ How much money do you have saved already? _____

Remember, always put some money toward your savings before you start spending!

Write down the money that you earn and the money that you spend every day.

Money tracking table			
Description (what you earned or spent)	Date	Earn (\$)	Spend (\$)
<i>Got allowance</i>	<i>Sept. 1</i>	<i>\$10</i>	
<i>Went for lunch</i>	<i>Sept. 4</i>		<i>\$7</i>
TOTAL (add it all up)			

How much money did you earn this month? _____

How much money did you save this month? _____

How much money do you have left? _____

What are you going to do with your leftover money? _____

Don't forget to put your money in a savings account!