



Activity 3 ESTABLISHING A PLAN



Look at the sample budget below and fill in the missing information in the yellow boxes. As you read through, think about the many things you spend money on each week or month. Then answer the questions below.

1. What is the formula for calculating the ending monthly balance? _____

2. What would it mean if the ending monthly balance were a negative number? What could this person do to fix the problem? _____

3. Let's say this person needs to cut \$20 in spending from their budget. Suggest two different ways to achieve this. For each suggestion, you can change up to 3 line items, as long as the net change is \$20.

Suggestion 1:

- a. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____
- b. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____
- c. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____

Suggestion 2:

- a. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____
- b. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____
- c. Item: _____
Old Budgeted Amount: \$ _____
New Budgeted Amount: \$ _____

Category	Estimated Monthly Budget	Actual Monthly Budget	Difference
INCOME			
Gross Wages	\$270.00	\$280.00	\$10.00
Minus Taxes & Withholdings	-\$30.00	\$	-\$2.00
Allowance	\$25.00	\$25.00	\$0.00
Gifts & Other Income	\$0.00	\$35.00	\$35.00
Interest from Savings Account	\$5.00	\$4.00	-\$1.00
INCOME SUBTOTAL	\$270.00	\$312.00	\$
EXPENSES			
Basic Living Expenses			
Phone Bill	\$30.00	\$30.00	\$0.00
Utilities	\$10.00	\$9.00	\$1.00
Groceries/Snacks	\$15.00	\$12.00	\$3.00
School			
Books	\$55.00	\$45.00	\$10.00
Class Fees/Supplies	\$	\$20.00	-\$5.00
Transportation			
Gasoline	\$20.00	\$25.00	-\$5.00
Bus Pass	\$0.00	\$0.00	\$0.00
Savings			
Savings Contribution	\$10.00	\$10.00	\$0.00
Giving			
Charity	\$5.00	\$5.00	\$0.00
Gifts	\$10.00	\$10.00	\$0.00
Shopping			
Wardrobe Needs	\$40.00	\$35.00	\$5.00
Other Shopping	\$10.00	\$	\$10.00
Entertainment			
Dining Out	\$15.00		\$15.00
Sports/Gym Membership			\$0.00
Music/Videos	\$5.00		\$5.00
Hobbies	\$10.00		\$10.00
EXPENSES SUBTOTAL	\$250.00	\$201.00	\$49.00
ENDING MONTHLY BALANCE	\$20.00	\$111.00	\$91.00