

Name \_\_\_\_\_

## Smart Money Moves: How to Budget Your Allowance

### Open-Ended Response Answer Key

1. Answers may vary. An example could be saving for a new bicycle. To budget for this goal, you would determine your income, list your expenses, set priorities by allocating money toward saving, and make adjustments if needed.
2. Learning to budget at a young age can help develop responsible financial habits, such as saving, prioritizing spending, and avoiding debt. These skills can be valuable in adulthood for managing finances effectively.
3. Setting priorities in your budget helps ensure that your most important expenses are covered first, reducing the risk of overspending on less critical items. For example, prioritizing school supplies over entertainment expenses ensures you're prepared for your studies.
4. Answers may vary. Students can share personal experiences related to budgeting, such as saving for a special purchase, managing allowances, or facing unexpected expenses. Challenges might include impulse spending or difficulty sticking to a budget, with potential solutions like setting clear goals and tracking expenses.

