

Name \_\_\_\_\_



## Mastering the Art of Budgeting

Budgeting may sound like a grown-up thing to do, but it's a skill that can benefit everyone, including sixth-graders. A well-rounded budget is like a secret recipe for financial success. It has several key components that, when combined, help you manage your money wisely. In this passage, we'll uncover the secrets of creating a well-rounded budget.

### Key Components of a Well-Rounded Budget

- **Income:** The first ingredient in a budget is your income, which is the money you receive regularly. For most sixth-graders, this might come from allowances, money earned from chores, or even gifts. Knowing how much money you have to work with is crucial.
- **Expenses:** Expenses are the things you spend money on. They can be divided into two categories: fixed and variable. Fixed expenses are regular payments like your phone bill or a monthly subscription. Variable expenses change from month to month, like buying snacks or going to the movies.
- **Savings:** Saving money is an essential part of a budget. It's like putting some of your money into a treasure chest for the future. Saving can be for short-term goals like buying a new video game or long-term goals like college.
- **Goals:** Goals are what you want to achieve with your money. They can be big or small, like saving for a special toy or a family vacation. Having clear goals helps you stay motivated and focused on your budget.
- **Emergency Fund:** Just like superheroes have a secret stash of powers, a budget needs an emergency fund. This is money set aside for unexpected expenses like a broken phone or a surprise school project. It keeps your budget from falling apart in tough times.
- **Tracking:** To make sure your budget stays on track, you need to keep an eye on your income and expenses. You can use a notebook, an app, or even a simple spreadsheet. Tracking helps you see where your money is going and if you're sticking to your plan.
- **Adjustments:** A budget isn't set in stone. Sometimes, you might need to make adjustments. Maybe you want to save more for a bigger goal or spend less on snacks. Flexibility is a key component of a well-rounded budget.

