

Name _____

Mastering the Art of Budgeting

Open-Ended Response Answer Key

1. Answers may vary, but a simple budget might allocate \$5 to savings, \$10 to fixed expenses (like a phone bill or subscription), and \$5 to variable expenses (snacks, outings, etc.). Explanation could include the importance of saving and covering regular expenses.
2. Personal goals will vary, but an example could be saving money to buy a new bicycle. Having a budget can help by setting aside a portion of income for the bike and tracking progress.
3. A situation for making budget adjustments might be receiving extra money as a gift. Changes could include increasing savings, allocating some for a new goal, or adjusting expenses to accommodate the extra income.
4. It's important for young people to learn about budgeting and managing money because it equips them with essential life skills, helps them make wise financial decisions, and prepares them for a financially responsible future.

