

Name _____

Cracking the Code: Understanding Fixed Expenses in Your Budget

Short Answer Key

1. Answers may vary but could include rent or mortgage, utility bills, insurance premiums, or subscription services.
2. To determine the monthly amount for a variable fixed expense, you can calculate the average amount over several months and use that as the fixed amount.
3. It's essential to prioritize fixed expenses in your budget because they are non-negotiable and must be paid consistently to maintain essential services like housing, utilities, and insurance.
4. An emergency fund can be helpful in situations like unexpected medical bills or car repairs, ensuring that your budget stays on track even in challenging times.
5. Setting up automatic payments for fixed expenses ensures they are paid on time, avoids late fees, and simplifies budget management.

