

Name \_\_\_\_\_

## Unleashing the Magic of Budgeting: Tracking and Categorizing Variable Expenses

### Open-Ended Response Answer Key

1. To categorize the expenses:
  - Groceries: \$200
  - Entertainment: \$50
  - Transportation: \$75
  - Clothing: \$30
  - Hobbies: \$40

Explanation should include each step of the categorization.

2. Personal experiences will vary.
3. A scenario for adjusting the budget could be an increase in transportation costs due to a longer commute. To adapt, you might consider reducing spending in other variable expense categories, such as entertainment or hobbies.
4. It's important for young people to learn about tracking and categorizing their variable expenses in a budget because it empowers them to make informed financial decisions, develop responsible spending habits, and achieve their financial goals.

