

7

Building Your First Budget

LESSON 7 · BUDGETING

I CAN

build a zero-based budget where every dollar has a job before the month starts

A **zero-based budget** means income minus every assignment equals zero. Not zero in the bank — zero unassigned.

CATEGORY	AMOUNT	WHY THIS NUMBER
Income this month		
Giving		
Saving		
Needs (name them)		
Wants (name them)		
Unassigned — must be \$0		

The 50/30/20 check

Compare your budget to 50% needs, 30% wants, 20% saving and giving. Where are you off, and is that a problem or a choice?

Answers and talking points

What a good answer looks like, and one question to ask when the pencils go down.

6-8

The one rule that makes it a zero-based budget

Income minus every assignment must equal zero. Not zero in the bank — zero *unassigned*. A student with money left in the last row has not finished, and the fix is never “spend it”: unassigned money gets a job, even if the job is saving or next month. **Money without a job gets spent by default**, which is the habit this page is built to interrupt.

Ask: “What is the last row supposed to say?” \$0, every time. If it does not, the budget is not done.

6-8

The ‘why this number’ column is the actual assignment

Any set of numbers can be made to add up; **the third column is where the thinking is**, and a budget with blank reasons is arithmetic, not a plan. Needs must be *named*, not totalled — “Needs — \$120” with nothing listed hides the decision rather than making it. On the 50/30/20 check: **being off it is not automatically wrong**. A student saving hard for something big may put 40% to saving and be entirely right. A deliberate difference is a choice; an accidental one is a drift. Credit the student who can tell you which theirs is.

Ask: “Did you choose to be off, or did it just come out that way?” Most people have never been asked.

Want the rest of the unit?

This page is one activity, unchanged, from **Unit 3.1 — How Money Systems Work**, a Financial Foundations™ unit of 10 to 12 lessons with teacher scripts, family letters and a unit checkpoint. For a free five-day money game your students can play in a browser, try **The \$100 Week™**. Everything is at wealthwisekids.org.