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The Personal Budget

L4.6.3 · 50/30/20 AND ITS LIMITS

I CAN

build a budget on real numbers and say where the standard ratios do not fit your life

Monthly net income

Needs — target 50%

Wants — target 30%

Saving and debt payoff — target 20%

Unassigned — must be zero

WHERE 50/30/20 BREAKS

In a high-rent city, needs alone can exceed 50%. The ratio is a diagnostic, not a rule. Write which of your categories is out of line and whether it is a choice or a constraint:

Answers and talking points

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

9–12 Working the numbers

There is no single right answer — the numbers are the student's own. What you are checking is that the four lines **add up to the monthly net income exactly**, with **zero unassigned**. On a \$2,400 take-home, the targets are **\$1,200 needs, \$720 wants, \$480 saving and debt payoff**. A student who leaves \$300 unassigned has not finished; money with no job attached is the money that disappears.

Ask: "Which line did you fill in last?" Nearly everyone writes saving last and gives it whatever survives. The sheet asks for the opposite.

9–12 Where 50/30/20 breaks — the real point of the page

The second half is the part that matters, and there is no model answer. In most American cities a first apartment alone pushes needs well past 50%, so the honest response is that the ratio is broken on purpose. **Accept any answer that names the category, says by how much, and calls it a choice or a constraint.** "Rent is 58% and that is a constraint until I move or get a roommate" is a better answer than a tidy budget that is fiction.

Ask: "Is this a number you can change this year, or one you have to live with?" Telling those two apart is the whole skill.

Want the rest of the unit?

This page is one activity, unchanged, from **Unit 4.6 — The Blueprint**, 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.