**Personal Finance Study Guide**

**Standard:**

SS5E4 Identify the elements of a personal budget (income, expenditures, and saving) and explain why personal spending and saving decisions are important

**Key Vocabulary:**

Personal Budget

Income

Expenses/ Expenditures

Net Income

Savings Account

**Essential Questions:**

Why is it important to create a budget?

How do income and expenses affect a budget?

Why is it important to save money?

**Key Skills:**

Be able to create a budget given income and expenditures. Explain if the person can buy certain items given the budget. Explain how long a person would have to save their net income to buy objects and why.

Ex. John makes $350 weekly. His cell phone bill is $75 a month, he spends $80 per week on food, $40 a week on gas, and his monthly rent is $550.

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| --- | --- |
| Monthly Income | Monthly Expenses |
|  |  |
| Net Income: |

If John decided to purchase a boat and needed $1000 as a down payment, how long would he have to save?

Would he have enough to move into a new apartment if the new rent was $750 a month? Why or why not?

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| **Resources-** Answers to the questions can be found: |
| Student composition books- vocabularyBrain Pop via launchpad: BudgetKahoot Review: <http://tinyurl.com/financekahoot>Everfi Lessons- Everfi.com |