Building a **BUDGET**

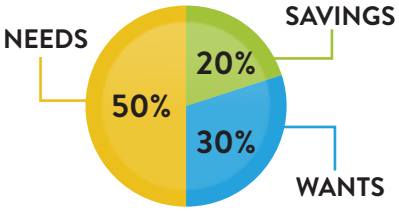
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CREATIVE CATEGORIES

No two budgets are alike. The same expense—whether it's a book, a phone bill or a tank of gas—can mean different things to different people. To explore this concept, take a look at how even the simplest categories can be considered a **need**, a **want** and/or a **savings goal**.

Activity: For each budgeting category, write out an expense that could be considered a need, a want and a savings goal. The first category has already been filled out with an example.

BUDGETING WITH 50/30/20



Start by calculating your **after-tax income** (what you make each month minus taxes and deductions). Limit your necessary expenses to **50%** of that after-tax income. **30%** is yours to spend on all the non-essentials. Set aside **20%** for your mix of savings and debt repayment goals.

Cellphone

NEED:	WANT:	SAVINGS GOAL:
basic monthly phone plan	data plan and unlimited texting	new smartphone

Transportation

NEED:	WANT:	SAVINGS GOAL:

Food

NEED:	WANT:	SAVINGS GOAL:

Clothing

NEED:	WANT:	SAVINGS GOAL:

Follow-up Questions: What other budget categories could you do this exercise with? Are there expenses in your budget that belong in a different category?

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