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What is Budgeting

Master Your Money with Budgeting Basics!

DEFINITION

Budgeting is planning how to spend your money wisely. It helps you track income and expenses.

KEY CONCEPTS

Income

This is the money you earn from jobs, allowances, or gifts.

Expenses

These are the costs of things you buy, like food, clothes, and entertainment.

Savings

Money set aside for future needs or emergencies, helping you avoid debt.

Budget Plan

A written outline of how much money you will spend and save each month.

Tracking

Keeping a record of your spending to see if you stick to your budget.

EXAMPLES

→ Setting aside $10 a week for a new video game.

→ Spending $5 a day on snacks and tracking it.

→ Saving birthday money for a future trip.

MEMORY TIPS

★ Think 'I Save, I Spend' to remember budgeting basics.

★ Use the acronym 'ISEE' - Income, Savings, Expenses, Evaluate.

★ Visualize a pie chart to see how your money is divided.

COMMON MISTAKES

✗ Not tracking all expenses, leading to overspending.

✗ Underestimating costs, making budgets unrealistic.

✗ Failing to adjust the budget when income changes.

QUICK RECAP

Budgeting helps you manage your money by planning income and expenses. Remember to track your spending and adjust your budget as needed to stay on track.