

GET SMART BUDGETING AND SAVING

VOCAB SHEET

Budgeting: A spending plan that shows how much money you will take in (income) and how much you will spend (expenses) over a period of time.

Parts of Budget: Income, Expenses, and Savings.

Income: Money you receive from any source, such as wages, cash gifts, scholarships, or grants.

Expenses: Things you spend money on, like food, rent, gas, clothes, etc.

Savings: Money you set aside instead of spending, usually for future needs or goals.

Fixed Expenses: Regular costs that usually don't change month to month, such as rent, insurance, car payments, internet, cell phones, and student loans.

Variable Expenses: Costs that can change from month to month, such as utilities, transportation, food, and school supplies.

Needs: Essential expenses you must pay for.

Wants: Non-essential expenses that are nice to have but not necessary.

Short term financial goals: Things you want to buy in the next 6 to 12 months.

Medium term financial goals: Things you want to buy in the next 1 to 5 years.

Long term financial goals: Things you want to buy more than five years from now.

