

Name:

### Students will be able to:

- List the different categories of expenses
- Explain how four different budgeting strategies work
- Weigh the pros and cons of each budgeting strategy

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)



### INTRO

### PROMPT

Use the space below to answer the prompt.

1. **Pretend you won \$1,000 in a contest. Explain how much of this money you would allocate toward spending, saving, and other purposes and what led you to those decisions.**



### LEARN IT

### **ARTICLE:** [Four Types of Expenses: How to Plan for and Cut Some From Your Budget](#)

When you start to dig into your budget, you might just think that all expenses are created equal. It's just money out of your pocket, right? There are actually four distinct types of expenses. Read the article to learn about these types of expenses and how you can create a budget for them. Then, answer the questions.

1. **Complete your section of the table and be prepared to share with your classmates. When classmates are sharing their information, record it in the appropriate section of the table.**

Expense Type	What is it?	How to Budget for it
Fixed		
Recurring		
Non-recurring		
Whammy		

**2. Categorize each of the following expenses into the correct group.**

- |                              |       |           |               |        |
|------------------------------|-------|-----------|---------------|--------|
| a. Your cell phone bill      | Fixed | Recurring | Non-Recurring | Whammy |
| b. A restaurant              | Fixed | Recurring | Non-Recurring | Whammy |
| c. Your netflix subscription | Fixed | Recurring | Non-Recurring | Whammy |
| d. A emergency room bill     | Fixed | Recurring | Non-Recurring | Whammy |
| e. Buying school supplies    | Fixed | Recurring | Non-Recurring | Whammy |

**ARTICLE: [Popular Budgeting Strategies](#)**

There are many popular budgeting strategies. You get to decide which one works best for you! Read the short article about four of the most popular budgeting strategies. Then, answer the questions.

**1. Briefly summarize 50/30/20 and Pay Yourself First.**

**2. Zero-based budgeting involves making sure every available dollar is accounted for. How is this beneficial for someone using this method?**

**3. How does envelope budgeting work?**

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**VIDEO: [Try The Zero-Based Budgeting Method Where Every Dollar Counts](#)**

Let's look specifically at zero-based budgeting. Watch this video to see how this budgeting strategy works and then, answer the questions.

- 1. Desean sets up his zero based budget and has \$175 left after he assigns all of his expenses to each category. What would be a good category for him to put that money in?**
  
- 2. Think about the process of zero-based budgeting. What might one drawback of this method be?**

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**VIDEO: [FinCap Friday: Cash Flash from the Past](#)**

Now let's take a look at envelope budgeting. This strategy has had a resurgence in popularity due to social media and is also known as Cash Stuffing.

- 1. What is one benefit of envelope budgeting?**
  
- 2. True or False: Envelope budgeting means that you have to deal with only cash and physical envelopes. Explain your answer.**
  
- 3. Do you think this is a method that you would use? How might using this method benefit you?**



## DO IT

### **ACTIVITY:** [CASE STUDY: How Do I Budget?](#)

Now that you've been exposed to several different budgeting strategies, let's help a friend create a budget! Follow the directions on the worksheet to complete this activity.



## EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.