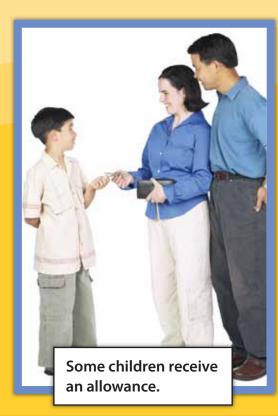
Table of Contents

What Is a Budget?
Budgets Are Everywhere
A Simple Budget
Your Own Budget
Stick to It!
Sam's Savings
Changes in Budget
Keep Going
Problem-Solving Activity
Glossary
Index
Answer Key

What Is a Budget?

A budget is a plan for money. It has 2 parts: **income** and **expenses** (ex-PEN-suhz). Income is money that someone gets. You might get an allowance. Expenses are things that money is spent on, like food or clothes.





"Bag" Your Budget!

The word *budget* comes from an old French word for bag, or purse. A bouge (BOOJ) was a leather bag used to carry money.

A budget helps you make sure you do not spend more than you can **afford**. It helps you plan your income (money you will get) and expenses (money you will spend).

Some children earn incomes by doing paper routes.



Spending Money Place Value

Would you rather have \$12.00 spending money or \$21.00 spending money? Like most people, you probably would like \$21.00 spending money! That's because it's a larger amount.

The **value** of each number in the spending money depends on its place, or **position** (puh-ZIH-shuhn), in that number.

Tens	Ones
1	2
2	1

- a. In \$12.00, what is the dollar value of 1?
- **b.** In \$21.00, what is the dollar value of 1?
- c. In \$21.00, what is the dollar value of 2?