

Pocket Money Power: Budgeting Basics

Needed Materials:

- Notebook or Paper
 - Pencil
 - Calculator (optional - good for checking work!)
 - Your imagination!
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What is Pocket Money?

Pocket money (or allowance) is a small amount of money you might receive regularly, maybe every week or month. It's yours to manage!

What is Budgeting?

Budgeting is like making a plan for your money. It helps you see where your money comes from (income) and where it goes (expenses), so you can make smart choices and maybe even save up for something special!

Step 1: Know Your Income

Your income is the money you receive. Let's say you get \$5.00 pocket money each week.

- Week 1: \$5.00
- Week 2: \$5.00
- Week 3: \$5.00
- Week 4: \$5.00

How much is that in one month (4 weeks)? Let's add it up!

$\$5.00 + \$5.00 + \$5.00 + \$5.00 = ?$

(Answer: \$20.00)

Step 2: Track Your Expenses (Spending)

Expenses are the things you spend your money on. Let's think about where pocket money might go:

- Snacks
- Small toys
- Drinks
- Saving for something bigger
- Movie ticket
- Book or comic

Needs vs. Wants: Sometimes we spend on things we NEED (like maybe saving for school supplies) and sometimes on things we WANT (like a new cool toy). Budgeting helps us balance both.

Step 3: Let's Make a Budget! (Example)

Imagine you received \$20.00 for the month. You decide to track your spending for one week.

- **Income (Start of Week): +\$5.00**
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- Monday: Bought a snack (-\$1.50) -> Remaining: $\$5.00 - \$1.50 = \$3.50$
- Wednesday: Bought a comic book (-\$3.00) -> Remaining: $\$3.50 - \$3.00 = \$0.50$
- Friday: Saved the rest for a bigger goal (+) -> \$0.50 put towards savings.

Practice Time!

Let's try another week. You start with \$5.00.

1. You buy a drink for \$1.25. How much is left? ($\$5.00 - \$1.25 = ?$)
2. You save \$2.00. How much is left now?
3. You buy some stickers for \$0.75. How much is left at the end of the week?

(Answers: 1: \$3.75, 2: \$1.75, 3: \$1.00)

Step 4: Saving Goals!

Budgeting helps you save! Let's say you want to buy a video game that costs \$30.00.

If you save \$5.00 each week, how many weeks will it take to save \$30.00?

$\$30.00 / \$5.00 \text{ per week} = ? \text{ weeks}$

(Answer: 6 weeks)

What if you could save \$6.00 per week? How long would it take then?

$\$30.00 / \$6.00 \text{ per week} = ? \text{ weeks}$

(Answer: 5 weeks)

Wrap Up

Making a budget helps you:

- Know where your money goes.
- Make choices about spending.
- Save up for things you really want!

Try tracking your own pocket money for a week or a month. See what you learn!