

Session 2

Budget Introduction

For today's lesson we want to introduce the idea of a budget and give you ideas on how you can save up money in the future. First, let's talk about a budget:

A **budget** is a plan you make in advance for how you will spend income. You can take time to investigate your spending options and carefully decide how to meet your savings goals, pay for your needs and prioritize what you want to buy. In an ideal budget, every penny is spoken for – but that doesn't mean you never get to have any fun. For example, you can put a certain amount in your monthly budget for entertainment. As long as your needs are being met and money is going toward savings, then it's a great idea to include things like movies or dining out in your budget.

At some point, you're going to be in a situation where you will have to make a smart choice and prioritize something you need over something you want. It's not fun to think about, but figuring out what things you could give up in order to increase your savings can help you avoid a lot of anxiety in the future.

We discussed last lesson about financial goals, a way to meet these goals is by saving up money for the important stuff you want or need in life. Here are three ways in which you can do that:

1. By saving regularly
2. By increasing your earnings
3. Making smart choices

We will discuss ways to accomplish these tasks throughout this program, for today we have a few questions you can answer to further think about each concept:

Why is saving important?

How can you increase your earnings?

How does a budget help you make smart choices?

Session 2 Activity

My last purchase

For today's activity we want you to think about the last purchase you made. Some of you may be too young to have made a purchase and that is okay, if you have not made a purchase recently you can skip this activity.

What was the last unnecessary purchase you made and how much did it cost?

Where did you get the money for this item?

What was the main reason you purchased this item?

A friend suggested it

It made me feel good

It was so cool

I don't know

Other (specify) _____

If I hadn't spent my money on that item I could have:

Session 2 Conclusion

Today you were introduced to some ideas about budgeting and you were able to think about the last purchase you made. It is interesting to think about how we spend our money now and how we will be spending it in the future as we gain financial literacy and learn the knowledge we need to take control of our financial future. We can think about the idea of a budget now and when we get older and have more financial control over our lives and the decisions we make, it will help us make wise choices.