

What Is a Budget?

by Susan LaBella

How much does your favorite snack cost? How many dollars do you spend each week? Can you spend less money to save some?

Making a budget is a good way to answer those questions.

A budget is a plan for how to spend and save money.

Companies and countries have budgets to manage their spending.

Putting together a budget can help you, too. Do you get a weekly allowance? That is a regular amount of money you might receive to pay for things such as snacks, games, and toys. What would happen to a boy who got his allowance on Monday and spent it all by Wednesday? He would not have any money to spend for the rest of the week!

You can avoid that problem by following a budget. First, figure out how much you have to spend. Include money you earn, gifts you receive, and money you have already saved. Next, write down what you spend money on each week.

Maybe you will find you are spending a lot on snacks. Cutting down would help you save some money every week. You could then use your savings for something special. That is the benefit of a budget!