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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.

Buying food at the supermarket



Some children receive an allowance.

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.



LET'S EXPLORE MATH

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

- In \$12.00, what is the dollar value of 1?
- In \$21.00, what is the dollar value of 1?
- In \$21.00, what is the dollar value of 2?

"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.