

BUDGETING AND CASH FLOW

Build a Balanced Monthly Budget

Detailed practice, calculation, revision, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Balanced and stress-tested budget
YOUR CHALLENGE Build Maya's monthly plan from take-home income, distinguish fixed and flexible expenses, calculate category shares and a deliberate cushion, then revise the plan after realistic cost changes without spending the same dollar twice.			

Learning Goals

- Calculate total planned spending, saving, and remaining margin.
- Classify expenses using behavior rather than a rigid label.
- Express selected categories as percentages of income.
- Stress-test estimates and document a balanced revision.

Term	Working definition
Take-home income	Money available after payroll deductions.
Fixed expense	Usually predictable in amount and timing during the planning period.
Flexible expense	Varies or can be adjusted, though some amount may still be necessary.
Savings	A planned use of income for a future goal or protection.
Cushion	Money intentionally left unassigned to absorb variation.
Balanced budget	Every available dollar has a deliberate role; total uses do not exceed income.

Part 1 - Maya’s Starting Plan

Maya’s monthly take-home income is \$1,460. Use the estimates below. Do not change them until Part 4.

Category	Planned amount	Type	Reason / evidence
Family contribution	\$300	Fixed	
Phone	\$55	Fixed	
Transit	\$132	Fixed estimate	
Insurance	\$95	Fixed	
Food	\$210	Flexible	
Personal care	\$60	Flexible	
Entertainment	\$120	Flexible	
Clothing	\$80	Flexible	
Savings goal	\$250	Saving	

Fixed subtotal: _____ Flexible subtotal: _____ Savings: _____ Total planned uses: _____ Cushion: _____

Write the equation that proves the plan balances.

Part 2 - Percent and Pattern Check

Formula: category share = category amount ÷ \$1,460 × 100. Round to the nearest tenth of a percent. Percentages may not total exactly 100% because of rounding and the cushion.

Category group	Dollar amount	Calculation	Percent of income	What the share suggests
Fixed expenses				
Flexible expenses				
Savings				
Cushion				
All planned uses				

Which two categories deserve the closest tracking during the month? Use amount, variability, or consequence as evidence.

Why is savings included in the plan even though it is not current consumption?

Part 3 - Four-Week Spending Plan

Divide the monthly flexible targets into weekly limits. Use exact division first, then create practical weekly targets that still add to the monthly amount.

Flexible category	Monthly target	Week 1	Week 2	Week 3	Week 4	Monthly check
Food	\$210					
Personal care	\$60					
Entertainment	\$120					
Clothing	\$80					

Tracking Rules

When will Maya record spending?

What amount triggers a midmonth review?

Can unused weekly money roll forward? Under what rule?

What evidence will Maya use: receipt, app activity, register, or another record?

Part 4 - Stress-Test and Revise

Change 1: transit rises by \$28 and food is \$35 above plan. Recalculate before making any other changes.

Measure	Original	Change	Revised
Transit			
Food			
Total planned uses			
Cushion			

Change 2: a required \$100 expense appears after Change 1. The revised cushion is not enough by itself. Create two different balanced responses.

Response	Categories changed	Dollar changes	New savings	New cushion	Tradeoff / consequence
A					
B					

Which response is more sustainable for three months? Defend it using necessity, goal impact, and realistic behavior.

Part 5 - Budget Control System

Control	Specific rule	When checked	Evidence	Action if off track
Income verification				
Bill calendar				
Flexible-spending check				
Savings transfer				
Cushion floor				
Month-end variance review				

Final Budget Memo

Write 150–200 words explaining Maya’s starting totals, two percentages, the stress-test result, your preferred \$100 adjustment, one protected priority, one tradeoff, and the trigger for another revision.

FINAL CHECK Income – spending – saving – deliberate cushion = \$0. If not, find the missing, duplicated, or unassigned dollars.