

BUDGET REVIEW AND ADJUSTMENT

Budget Adjustment Challenge

Detailed practice, calculation, diagnosis, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Reforecast and action plan
YOUR CHALLENGE Devon's income drops and an unexpected repair appears in the middle of the month. Find the shortage, protect the most important needs, compare safe choices, and make a new plan that balances.			

Six Steps for Handling a Budget Problem

Step	What to do
1. Check the facts	Confirm the amount, date, and source. Decide whether the change will happen once or continue.
2. Pause extra spending	Wait on nonessential purchases until you know the size of the problem.
3. Protect important needs	Protect health, safety, housing, food, transportation, and the ability to earn income.
4. Do the math again	Update income, bills, spending, saving, and extra money.
5. Compare choices	Look at spending cuts, timing changes, safe ways to earn money, and people or companies you can contact.
6. Write the new plan	Record the changes and choose a date to check the plan again.

Part 1 - Midmonth Disruption

Devon planned \$1,600 income and \$1,520 total uses, including \$180 savings, leaving an \$80 buffer. On the 15th, Devon learns the second paycheck will be \$130 lower. A required transit repair of \$95 also appears. Half of the monthly flexible-spending plan has already been used.

Item	Original amount	Change	New amount before making cuts
Income			
Total planned spending and saving			
Savings			
Extra money (cushion)			
Money still needed			

Show why the disruption creates a \$145 gap after using the original \$80 buffer.

Part 2 - Available Adjustment Options

Choice	Possible amount	What must be checked?	What is the downside?	Safe to count now?
Reduce remaining entertainment	\$70	Immediate, controllable		
Reduce remaining dining	\$45	Immediate, controllable		
Pause \$30 subscription	\$30	Verify cancellation timing		
Reduce savings transfer	\$60	Goal delay; reversible		
Sell unused item	\$40	Amount/timing uncertain		
Borrow \$145 with a high fee	Unknown total cost	High-risk; verify/seek alternatives		

Build three packages totaling at least \$145. Do not count uncertain money until verified.

Package	Selected changes	Total adjustment	Savings impact	Risk/tradeoff
A				
B				
C				

Part 3 - Compare the Results of Each Package

Package	Effect on health/safety	Effect on work/transportation	Fees or rules	Goal delayed?	Can it continue? 1–5	Reason
A						
B						
C						

Choose one package. Explain why protecting health, safety, work, or transportation may matter more than choosing the easiest cut.

Check Before You Count the Money

- ☐ Uncertain sale proceeds excluded until received
- ☐ Subscription timing verified
- ☐ Repair amount confirmed
- ☐ Lower paycheck confirmed from official record
- ☐ All revised totals balance

Part 4 - Communication and Reforecast

Write a short message to an employer or company to check one important fact. Include the date, amount, your exact question, how you want them to confirm the answer, and when you will follow up. Never include passwords, PINs, or full account numbers.

Budget category	Original monthly amount	Already spent or paid	New amount left to spend	New monthly total
Income				
Housing/required bills				
Food				
Transportation/repair				
Entertainment/dining				
Subscriptions				
Savings				
Extra money				
TOTAL				

Part 5 - Recovery Plan

After disruption	Action	Amount	Deadline	Completion evidence
Next paycheck				
Next month				
Savings recovery				
Subscription review				
Repair reserve				
Variance review				

Write a 150–200 word decision memo. Include the \$145 shortage, the package you chose, your math, one choice you rejected, one message you would send, one important need you protected, and when you will return savings to the original goal.