

BUDGET REVIEW AND ADJUSTMENT

Budget Method Comparison

Detailed practice, calculation, diagnosis, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Method-fit recommendation
YOUR CHALLENGE Try three ways to organize the same monthly income. Compare what each method makes easy or difficult, test what happens when the month changes, and recommend the method that best fits the person.			

Three Planning Structures

Method	How it works	What it does well	Possible problem
Category plan	Set an amount for each category and leave some extra money as a cushion.	Flexible and easy to check.	Extra money may be spent without a plan.
Every-dollar plan	Give every dollar a job: spending, saving, debt payment, or cushion.	Shows every choice clearly.	Can feel strict if the amounts are not realistic.
50/30/20 guide	Compare about 50% for needs, 30% for wants, and 20% for saving and debt goals.	Gives a quick big-picture check.	High local costs may make the percentages hard to reach.
GUIDELINE, NOT LAW A percentage framework is a comparison tool. It is not proof that a person can or should force necessities into a preset percentage.			

Part 1 - One Profile, Three Methods

Taylor has \$1,800 monthly take-home income. Current plan: housing contribution \$550, transit \$140, phone \$60, food \$300, health/personal \$90, entertainment \$160, clothing \$80, savings \$250, debt payment \$70, periodic-expense set-aside \$60.

Category	Amount	Need, want, or goal?	Same each month, flexible, or occasional?	Why did you choose that label?
Housing	\$550			
Transit	\$140			
Phone	\$60			
Food	\$300			
Health/personal	\$90			
Entertainment	\$160			
Clothing	\$80			
Savings	\$250			
Debt	\$70			
Money for occasional bills	\$60			

Total uses: _____ Current unassigned amount: _____

Part 2 - Apply the Methods

Method	Needs or regular costs	Wants or flexible costs	Saving and debt goals	Extra money	Does the total match income?
Category plan					
Every-dollar plan					
50/30/20 guide					

For 50/30/20, calculate target dollars: 50% ____; 30% ____; 20% _____. Then compare—not force—the current plan to these targets. State how you classified phone, health/personal, debt, and periodic savings.

Part 3 - Fit by User

Person	Best method to try first	Reason from the profile	Possible problem	Helpful feature to add
Taylor	Stable monthly pay; wants clear saving target but dislikes daily detail.			
Rae	Income varies weekly; bills cluster early; needs date-specific controls.			
Morgan	Often spends unassigned money; willing to plan every dollar.			
Casey	High necessary housing/transport costs; preset percentages do not fit.			

Explain why the 50/30/20 guideline may still be useful for Casey even if the 50% target is impossible right now.

Part 4 - Test a Difficult Month

Taylor’s food rises by \$45, a \$120 annual fee is due next month, and monthly income falls by \$90 for one month.

Method	What problem appears first?	Math you need	Change you would make	Goal you protect	Problem still remaining
Category plan					
Every-dollar plan					
50/30/20 guide					

Which method makes the annual fee visible earliest? Which method best exposes the \$90 income loss? Defend both answers.

Part 5 - Make Your Recommendation

Plan feature	Rule Taylor will use
Main budgeting method	
Payday and bill-due-date check	
Money set aside for occasional bills	
Saving and debt rule	
Weekly flexible-spending check	
Minimum cushion	
End-of-month review	
When to change the plan	

Write a 150–200 word recommendation. Include two calculations, two reasons the method fits Taylor, one possible problem, one result from the difficult-month test, and one added feature that solves or reduces the problem.