

Spending Plans Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Use the prompts provided to help you take notes during the lesson.

The Spending Plan

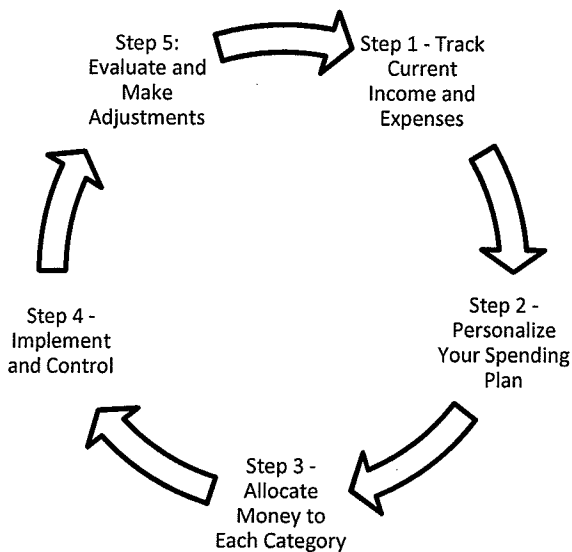
What is a Spending Plan?

Draw a line to match each money management tool with the appropriate time frame.

Statement of Financial Position	Past
Income and Expense Statement	Future
Spending Plan	Today

Why is a Spending Plan an important part of financial planning?

The Spending Plan Development Process



Circle the steps in the spending plan development process that develop a spending plan.

Place a square around the steps in the spending plan development process that maintain a spending plan.

1

By creating an Income and Expense Statement, you have already tracked income and expenses.
Why is tracking income and expenses an important part of creating a Spending Plan?

2

How will you develop a Spending Plan?
What are two methods that may be used to develop a Spending Plan?

- 1.
- 2.

Select a time period for your spending plan.
What time period do most people use for their Spending Plan?

What categories will your Spending Plan include?
Why are categories different for everyone's Spending Plan?

3

Plan how much money to allocate for each category.
What are three things to consider when determining how much money to allocate to each category? Explain.

- 1.
- 2.
- 3.

It may help to refer to a spending guide when making decisions regarding how much to spend for each expense. What percentage of net income for each expense category is included in the spending plan guide?

Saving and Investing:

Transportation:

Insurance:

Food:

Housing:

Other:

What do you do if you have a net gain?

What do you do if you have a net loss?

4

Implement the Spending Plan and ensure you stick to that plan.
What are two types of control systems?

- 1.
- 2.

5

Why is evaluating and adjusting a Spending Plan important?



Spending Plans Vocabulary List

	TERM	DEFINITION
1	Spending plan	An income and expense statement sometimes referred to as a budget which records both planned and actual income and expenses over a period of time



Spending Plans

	Total Points Earned
13	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Answer the following questions with complete sentences.

1. Why are spending plans an important part of financial planning? Support your answer with two reasons. (2 points)

2. What role does the Statement of Financial Position and Income and Expense Statement play in the process of creating a spending plan? (2 points)

3. The spending plan development process includes steps for creating and maintaining a spending plan. Why do you think it is important to maintain a spending plan after creating it? (1 point)

4. Templates are available for creating spending plans. Do you have to use all the categories listed on a template? Why or why not? (2 points)

5. Why is it important to identify contractual expenses when creating a spending plan? (1 point)



6. Imagine that you are creating a spending plan. Using the five steps of the spending plan development process, describe in detail what you would do to create your spending plan from beginning to end. (5 points)

1. Track Current Income and Expenses

Make sure to indicate how you would track your income and expenses and justify your choice by describing how it would fit your lifestyle.

2. Personalize Your Spending Plan

3. Allocate Money to Each Category

Make sure to indicate how you would determine which changes to make to spending.

4. Implement and Control

Make sure to indicate which control system you would use and justify your choice by describing how it would fit your lifestyle.

5. Evaluate and Make Adjustments