

Beginning Budget TIPS

The best way to reach your saving goal is to start with a budget. A budget helps you keep track of the money you have coming in (your allowance or Birthday money) and the money you have going out. A great way to learn budgeting is to divide your money into four areas:

1. Sharing: 10%

Deposit 10 percent of your income, or \$1 for every \$10. Choose a cause or organization you are interested in and donate regularly.

2. Spending: 30%

Deposit 30 percent of your income, or \$3 for every \$10. Decide with your parents what you can purchase, how to be wise about spending, and then make a decision.

3. Short-term Savings: 30%

Deposit 30 percent of your income, or \$3 for every \$10. This helps you save for items that may only take a few months.

4. Long-term Savings: 30%

Deposit 30 percent of your income, or \$3 for every \$10. This is where you save for the future. These expenses require a great deal of planning and saving.



Once your money has started to add up, ask a parent or trusted adult to help you open a savings account at a bank. The bank will make sure that your money is safe, and they'll even pay you interest while it's there.

