**Key Ideas:**

* A budget is an estimate of income and expenses for a period of time and is used to see how much money, if any, is remaining.
* Budgets assist in making financial decisions about "needs" and "wants" and future financial goals
* Expenses can be classified in two ways:
  + Fixed expenses do not change over a period of time. Think loans, mortgages, regular bills.
  + Variable expenses changes over time. Think clothing, entertainment, food.
* Expenses can be listed as the dollar amount or as a percentage of income:
  + To calculate the percentage of income:
  + If only given the percentage:

**Fixed & Variable Expenses**

You’re 18 years old, just started working part-time, and earn $600 per week.

What kind of things do you spend your money on each week? Are these "needs" or "wants"? Are they fixed or variable expenses?

**Example 1**

Identify which expenses are fixed and which are variable and calculate how much savings are for the month

A white and black table with numbers and words

AI-generated content may be incorrect.

**Example 2**

Using the above budget, calculate the percentage of income spent on each of board and clothes and the percentage saved (all to two decimal places).  
  
Rule:

Board:

Savings:

**Example 3**

Calculate the dollar value of going out when income is $800 for the week and going out costs 13% of income

Rule: