

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

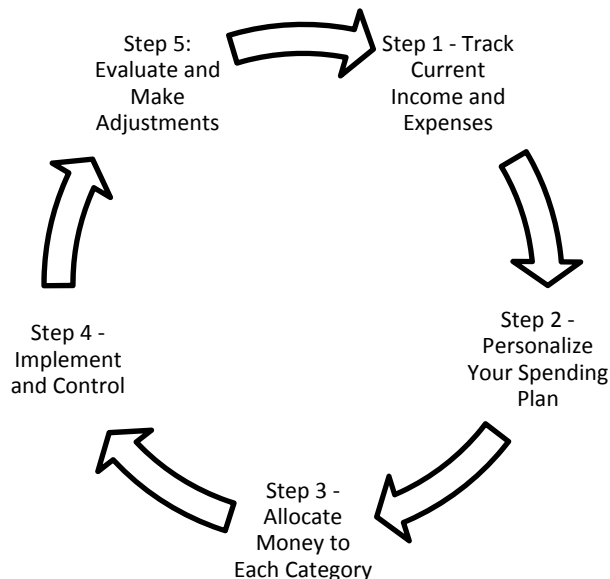
What is a **Spending Plan**?

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?