

50/30/20 Rule

The 50/30/20 Rule is a simple guideline to help you know how budget your money in an easy and effective way. It suggests that 50% of your income should go towards needs, 30% towards wants and 20% towards saving. You may need to adapt the percentages based on individual circumstances but the goal is to focus on distributing your income into those three main categories.

1. Provide an example of income:

Answers will vary, some examples may include: money from a job, allowance, gifted money.

2. Circle examples of a NEED:

Rent

Gas for Car

Buying Bitcoin

Going to the Arcade

Groceries

Electric Bill

A Skateboard

Netflix Subscription

3. List an example of a need, want and a saving goal:

Want: **Answers will vary.**

Need:

Savings Goal:

4. Your grandparents gift you \$10 for your birthday. Following the 50/30/20 Rule, determine the amount of money that will go towards needs, wants and savings.

Want: \$ **5** Need: \$ **3** Savings Goal: \$ **2**

5. Match the correct definition with it's correlating vocabulary term.

Saving

money set aside to cover unexpected expenses.

Income

a percentage of money you'll earn for keeping your money in an account at a financial institution.

50/30/20 Rule

putting money aside to use in the future.

Interest

money you receive.

Emergency Fund

an easy and effective rule of thumb that suggests dividing a budget into three categories-needs, wants and savings.

6. My biggest takeaway:

Answers will vary.