Picture this: You’ve just received $10 as a birthday gift. There are so many things you want to buy. You make a list. Pretty soon, you realize $10 won’t be enough for everything. You need to make choices.

Here are questions to ask as you decide what to do:

✔ What are the things I really need? What are the things I really want?
✔ What’s most important on my list?
✔ Is the amount of money I plan to spend worth it?

By determining your needs and wants and ranking them, you’re taking an important step in managing your money. You’ve also begun to create a budget. A budget is a planning tool. You set it up to help you make spending decisions.

Try It Yourself!
Create a budget for yourself! Look on the back cover for a cool budget planner to take home and fill out with your family!

Needs and Wants
A need is something that is essential. Food, clothing, and shelter are needs. A want is something that you would like to have. Wants aren’t needs.

Making Decisions
Alex has $3.50 to spend for three new folders he needs for school. He likes a blue folder with a shiny cover that costs $1.15. The same blue folder with a plain cover costs 99 cents. What are some of the choices Alex could make?
Number Crunchers

Anna has $10 of birthday money. On the left is a list of items she is considering buying:

1. If Anna were to buy an ice cream cone, a book, and a magazine, what percent of her $10 would she have spent?
   - A 75%
   - B 77.5%
   - C 75.5%

2. Anna decides on a book, a magazine, and colored pencils, but then decides she wants a nameplate. Which of the following could she do?
   - A Put back the book
   - B Put back the colored pencils
   - C Put back the magazine

3. If Anna wants to save 50% of her $10 for later, how much should she set aside?
   - A $2.00
   - B $5.00
   - C $3.75

Paper Puzzler

Mrs. Young has asked students to help her figure out costs for a monthly paper budget.

Color paper cost = $6.30 per package (200 sheets)

Copier paper cost = $4.50 per package (500 sheets)

If the class budget is for 400 sheets of color paper and 1,000 sheets of copier paper each month, what is the:

Monthly budget figure for color paper: _____________

Monthly budget figure for copier paper: _____________

Total monthly budget: ________________