Same Plan, Different Life

Build a savings and spending plan for three life stages: teenager, young adult, and a family of four.

Name: _____ Date: _____

OBJECTIVE

Construct a savings and spending plan for three different life stages, and see how the same five budget categories mean something very different at each one.

1. The same categories, three different lives

Every budget divides income into the same handful of jobs: housing, food, transportation, savings, and everything else. What changes from stage to stage is how much money there is, and how much of it is already spoken for before a person gets to choose.

Teenager. Monthly income: $120 (allowance plus part-time work).

Category	Amount
Housing	$0 (lives with a parent or guardian)
Transportation	$0 (walks, bikes, or gets a ride)
Food	_____
Savings	_____
Everything else	_____

Fill in the last three so the whole budget adds up to $120.

Young adult. Monthly take-home pay: $2,800 (first full-time job).

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Category	Amount
Rent and utilities	$950
Car payment and insurance	$310
Student loan payment	$180
Food	_____
Savings	_____
Everything else	_____

The three fixed costs above total $1,440. Fill in the last three so the whole budget adds up to $2,800.

Family of four. Combined monthly take-home pay: $6,200 (two incomes).

Category	Amount
Mortgage	$1,650
Two car payments and insurance	$640
Health insurance premium	$380
Childcare	$900
Food	_____
Savings	_____
Everything else	_____

The four fixed costs above total $3,570. Fill in the last three so the whole budget adds up to $6,200.

2. Compare

a) Which of the three budgets has the least room left to choose where the money goes, once the fixed costs are paid? Show the fixed costs as a percent of income for at least one stage.

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b) The teenager's budget has no housing or transportation line. Name one cost that shows up by "young adult" that a teenager usually doesn't pay yet.

c) If the young adult wanted to save an extra $100 a month, which category would most likely have to shrink? Why might that be a hard trade-off?

3. Discuss

DISCUSS

A "good" budget isn't the one with the biggest number in savings, it's the one that actually gets followed. What's one reason a plan that looks perfect on paper might not survive a real month?

STANDARD NOTE

SS6E13 asks students to understand that a budget is a tool to plan the spending and saving of income. This worksheet builds on that with New Jersey's 9.1.8.PB.4 (construct a savings and spending plan for different life stages: teenager, young adult, family) and the state's broader mandate, 18A:35-4.34, requiring financial literacy instruction in every middle grade.