Understand that a basic principle of effective personal money management

Live within your income: earn it by working, plan it with a budget, save some of it, and be careful with credit, borrowing costs extra.

Name: _____ Date: _____

OBJECTIVE

Understand that a basic principle of effective personal money management is to live within one's income.

What this standard covers	Your notes
Understand that income is received from work and is limited.	
Understand that a budget is a tool to plan the spending and saving of income.	
Understand the reasons and benefits of saving.	
Understand the uses and costs of credit.	

IN PLAIN WORDS

Live within your income: earn it by working, plan it with a budget, save some of it, and be careful with credit, borrowing costs extra.

If you earned $100 this month…	Planned amount
Saving	
Spending	
Sharing / giving	

Why might borrowing money (using credit) end up costing more than the price tag on the item? Use the word "interest" in your answer.