



# MY FIRST BUDGET

Learn How to Build a Budget



**1-800-210-3481**

[www.ConsolidatedCredit.org](http://www.ConsolidatedCredit.org)

5701 West Sunrise Boulevard | Fort Lauderdale, FL 33313

Congratulations on taking this first important step to teach your children good financial habits. Consolidated Credit has been helping Americans across the country solve their debt and credit problems for over 25 years.

Our educational team has created over forty publications to help you improve your finances. Visit [ConsolidatedCredit.org](http://ConsolidatedCredit.org) to access all our publications free of charge. You'll also find a range of financial education resources, including interactive courses, instructional videos, webinars, infographics, and more. Our mission is to provide all the tools you need to become debt-free and use money wisely, so you can plan for the future and build wealth.

If you're feeling overwhelmed by high-interest rate credit card debt, I encourage you to call **1-800-210-3481** to receive a free evaluation from a certified credit counselor. Together, you can find the best solution to pay off your debt and achieve financial stability.

I also invite you to share these resources with others you know who want to improve their finances. Consolidated Credit provides partnership programs, which can help groups, businesses and communities learn and grow together. If you're interested in learning more, please call us and we'll be happy to help you customize a program for your organization.

Sincerely,

A handwritten signature in black ink that reads "Gary S. Herman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gary S. Herman  
President  
Consolidated Credit

---

# Budgeting for Kids

## Why It's Important to Start Young

If you're old enough to ask your parents for money, then it's a good time to learn about budgeting. Money management is a lifelong skill you'll need to create financial stability. It can set you up for success and help you create the lifestyle you want, whether that's traveling the world or running your own business.

Budgeting skills are needed for all things finance. To borrow money from the bank for a home, you need good budgeting skills. Likewise, to borrow money for your first car or get a credit card in your name, proof of good money management is essential. Even if you don't want to borrow, learning how to budget will ensure you always have access to money when you need it.

Whether you're just turning ten or about to enter your teenage years, this information will get you started on the right foot.

## Vocabulary:

### Key Budgeting Terms You Need to Know

**Income:** Money you earn through work or investments.

**Expenses:** The money you spend on items or bills.

**Budget:** A plan that organizes your income and expenses. It helps you avoid overspending and achieve financial goals.

**Credit card:** Plastic or metal card issued by a bank or organization that allows you to purchase goods or services on credit.

---

**Credit:** Taking goods or services before paying for it, with an agreement you'll repay by a certain date.

**Credit score:** A three-digit number that determines how likely you are to pay loans and credit card bills.

**Debit card:** A plastic or metal card used to purchase items or services. Money is immediately removed from your bank account balance to fund your purchase.

**Virtual debit or credit card:** A card that can be used for online and for purchases using the mobile wallet on your smartphone.

## How to Budget

The most important part of money management is budgeting. A budget is an easy way of organizing money. It helps you keep track of how much money you have, where it came from, what you spend it on, and how much you save.



Without a budget, it's almost impossible to keep track of where your money goes. Even if you aren't making much money, you can still start budgeting. If your parents give you an allowance, that's income you can track.

Here are the steps you take to create a budget.

### 1. List your income

Make a note of any income you have, whether it's money you earn from chores or gifts. If you don't have a consistent income, you can put how much you expect to make. At the end of the month, see how much you made and note the difference, if any.

---

## 2. List your expenses

Think about what you spend money on every month. Do you buy yourself a bag of chips every day? Do you spend money on online games or smartphone apps? If you aren't sure how you spend your money, try tracking it for a month before doing your budget. Every time you spend money, record how much you spend, where you spend it, and the date.

## 3. Create money buckets

Create categories for your spending and assign an amount to each category based on your income. The three most common are:

1. Spending
2. Saving
3. Giving

The spending bucket is for anything you want to buy immediately, like candy or an accessory. The saving bucket is money you put away for rainy days or a goal you want to achieve. Giving is a good habit to develop, so create a bucket for that, too. You could decide to give to your favorite charity or place of worship every month.

Here's an example of how this might look if your income is \$35 each month:

1. Spending: \$15
2. Saving: \$10
3. Giving: \$10

---

## Setting Up Your Budget

Budget sheets are an excellent way to keep track of your income and expenses. Here is one you can use monthly. In the “Expected” column, write down what you think your income or an expense will be. In the “Actual” column, write down the value of the actual income or expense after it happens.

Calculating the difference is different for income than it is for expenses. For income, you want to subtract the “Expected” column from the “Actual” column. This means that if you make more money than you thought, the difference will be a positive number.

For expenses, you want to subtract the “Actual” column from the “Expected” column. This makes it so the difference will be a negative number if you spend more than you expected.

Feel free to update this chart any time your finances change.

Monthly Income			
	Expected	Actual	Difference
Allowance	Fair		
Chores	Good		
Gifts	Very Good		
Monthly Expenses			
	Expected	Actual	Difference
Savings			
Food			
Entertainment			
Clothes/Accessories			
Giving			

---

## Observe Your Spending Habits

Some people naturally love to save, while others are big spenders. Why is this important? Knowing what kind of spender you are can help you create a budget that works for you.

Answer these questions to see which category you fall into.

- 1. Do you see any patterns in your spending habits?** If you find yourself constantly buying snacks and accessories, you may be a spender. If you don't shop often despite having money or you think long and hard before buying anything, then you might be a saver.
- 2. How do you decide what to purchase?** Do you buy something when you see it and want it or do you plan what to buy? People who plan their spending, make sure they can afford the purchase, and weigh out their options before buying tend to be savers.
- 3. What factors influence your purchasing decisions?** Availability? Price? If you're willing to buy an item no matter how much it costs and find it hard to wait and shop around, you might be a spender.

How does knowing what kind of spender you are affect how you budget? If you notice you're a spender, you may actively try and save more money each month. However, if you're afraid to spend and overthink each purchase, create a budget that helps you feel comfortable spending some cash. Saving is great but make room for some fun!

---

## Set Financial Goals

Now that you know how to budget, it's time to set some goals. Without financial goals, budgeting and saving can seem like a bore. However, when you set goals, you have something to look forward to.



There is an art to goal setting if you want to actually follow through with them. The secret is to make them S.M.A.R.T. Here is a breakdown of what this acronym means:

- **Specific:** Be as precise and detailed as possible. For example, "I need to save \$20 to buy a new accessory kit within one month."
- **Measurable:** Define what factors will show you're on track to achieving your goals. For instance, "I know I'm on track to saving \$20 in one month if I'm saving a minimum of \$5 weekly."
- **Attainable:** Make sure you can do it within a reasonable time frame. You could say you'll save for a new \$60 scooter in six months, for instance. Trying to buy it within a week may not be as attainable.
- **Relevant:** Think about how your goals align with your values and long-term plans. For example, if you want to get better at knitting, saving for a new knitting kit may be a better goal than saving for a game console.
- **Timely:** Be specific about the end-date for each goal. For instance, you could say, "I will buy a new knitting set by July 5."



---

When setting goals, create ones that motivate and interest you. If you have little interest in bikes, saving for one won't motivate you. However, if you love gaming, you should be more excited about saving for a new gaming system.

Examples of S.M.A.R.T. goals include:

- I will save \$100 in three months to buy new video games.
- I will save \$200 in a year to grow my savings.
- I will save \$50 by Christmas to donate to a charity/cause.
- I will save \$20 to take my friend out for ice cream on their birthday.

## Tech to Keep You on Track

The good thing about living in the smartphone age is there's an app for just about everything—finances included. Here are a few you can download and use on your phone or tablet.

### Kiddie Credit (Ages 4-12)

Want to earn some extra money outside of a weekly allowance? Convince your parents to pay you for doing extra chores. [Kiddie Credit](#) helps you keep track of the chores you do and rewards you with points and prizes. Your parents can choose to reward you with money or anything else. Another exciting feature of the app is you get a weekly Kredit score based on the chores completed.

### PiggyBot (Ages 4+)

Use the [PiggyBot](#) app to track your allowance, spending, and saving. There's also a feature that allows you to upload images of items you're saving for. Most importantly, you can set goals and track your progress.

---

## Rooster Money (Ages 3-14)

[Rooster Money](#) doubles as a virtual money tracker and a chore tracker. To help you organize your money, it has “spend,” “save,” and “give” pots. Additional features include the star chart for younger kids as well as the pocket money tracker. Every time you spend money, it’s deducted from your allowance balance, so you have an idea of how much is left.

## Bankaroo (Ages 5-14)

[Bankaroo](#) is a virtual bank for kids. It teaches you how to save towards your goals and spend responsibly. You can access it via their website or app.

## Savings Spree (Ages 7+)

Aimed at game-lovers, [Savings Spree](#) teaches kids the consequences of their spending actions. It’s a fantastic way for you to learn the basis of saving, spending, sharing, and investing and how each has a different impact.

## Gohenry (Ages 6-18)

Similar to the other apps on this list, [Gohenry](#) helps you manage the allowance your parents give you and teaches practical money management. The icing on the cake is you get your own debit card!

## Using Debit Cards

Having to ask your parents for money whenever you want to buy something can be annoying. If you have a debit card, you can buy things more easily. Speak to your parents about getting a debit card and see how they feel.

---

If they're worried about security or that you will overspend, they can place restrictions on ATM use or limit spending.

Here are four debit cards specifically designed for kids and teens.

### **Jassby Virtual Debit Card**

Jassby is a virtual debit card powered through the free Jassby app. Your parents can add chores and pay allowance for them through the app. Then you can use the debit card in the Jassby shop or anywhere that Apple Pay is accepted.

### **Greenlight**

This debit card is designed for kids but managed by their parents. There is no minimum age or balance requirement, and the first replacement card is free. There are also no transaction fees for [Greenlight](#), but it does cost \$4.99 per month. You can also add your picture to the debit card for an additional \$9.99.

### **Gohenry**

This prepaid visa debit card targets kids ages 6 to 18. If you care about the environment and want to waste less, you'll be happy to know the Gohenry debit card is biodegradable. You'll pay \$3.99 per month and can also personalize the card.

### **Famzoo**

This is pretty similar to the other debit cards mentioned here. You can set up accounts for savings, spending, giving and anything else that comes to mind. [Famzoo](#) is prepaid, so your parents will need to load money on it. They can also add incentives to encourage good financial habits.

---

## Preparing for Your Teenage Years

If you're approaching your teenage years, there are several ways to prepare. One is to know what financial opportunities you will have access to.



### An Introduction to Credit

In a few years, you'll have access to credit cards and other ways of borrowing money. Credit isn't free; it's borrowed money, so borrowing responsibly is key.

When you borrow money and don't pay it back in full before the due date, you have to pay interest. What's interest? The cost of borrowing money.

For example, the American Express Blue Cash Everyday credit card, has an APR or interest rate from 14%.

Let's say you spend \$150 on this credit card. You will need to pay off that \$150 balance, plus \$21 in interest charges.

Legally, you can't get a credit card on your own until you're 18. However, from the age of 13, your parents can add you as an authorized user. This simply means you'd be added to your parent's account and can spend money using your own card. You'll need to sit down with your parents and agree on spending limits to avoid overspending.

---

## Early Learning

There are so many learning resources available to help young people learn about finances. As you approach your teen years, Consolidated Credit offers an interactive course that can teach you about budgeting, saving, and credit. You can find it on our website at [ConsolidatedCredit.org/courses](https://ConsolidatedCredit.org/courses).

Aside from online courses, you can read books to expand your knowledge. Some good ones include:

- [\*What all Kids Should Know About Saving and Investing\* by Rob Pivnick](#)
- [\*Not your Parent's Money Book\* by Jean Chatzky](#)
- [\*The Money Savvy Student\* by Adam Carroll](#)
- [\*How to Turn \\$100 into \\$1,000,000\* by James McKenna and Jeannine Glista](#)
- [\*O.M.G.: Official Money Guide for Teenagers\* by Susan Beacham and Michael Beacham](#)

Budgeting can be fun no matter how old you are. By starting young, you're doing one more thing to set you up for future success.



## About Consolidated Credit

Consolidated Credit is a consumer oriented, public education organization. We are an industry leader in providing credit counseling and debt management services throughout the United States.

Our mission is to assist individuals and families end financial crises and help them solve money management problems through education, motivation, and professional counseling.

We are dedicated to empowering consumers through educational programs that will influence them to refrain from overspending and abusing credit cards, as well as to encourage them to save and invest. We sponsor local free seminars that are also available to any group or organization that requests our educational services.

Our professionally trained counselors have assisted thousands of families across the United States. Regardless of whether your financial problems are due to the purchase of a new home, birth of a child, major illness, or any other circumstance, we can help.

Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate.

Consolidated Credit is a member of the Better Business Bureau, the National Association of Credit Union, United Way of Broward County and Financial Counseling Association of America.

# NOW YOU CAN FIND FREEDOM FROM DEBT!

Consolidated Credit, a nationally recognized organization, will provide you with professional financial education, counseling and resources. In addition, you can benefit from customized Debt Management Programs, which incorporate a bill consolidation plan to help you regain your financial freedom.

## Our Certified Financial Counselors can:

- Reduce or even eliminate interest rates!
- Eliminate late charges and over-limit fees.
- Consolidate debts into one lower payment.
- Help you pay off debt faster.
- Rebuild your credit rating.
- Save you thousands of dollars.
- Get you on a plan to be debt free!



Call today, and take your first step toward financial freedom!

**1-800-210-3481**

or visit [www.ConsolidatedCredit.org](http://www.ConsolidatedCredit.org)



5701 West Sunrise Blvd., Fort Lauderdale, Florida 33313

# YOU CAN BE DEBT FREE



## THERE IS HELP WAITING FOR YOU NOW.

- Reduce or eliminate interest charges.
- Consolidate credit card bills into one lower monthly payment.
- Pay off your debt in half the time.
- Save thousands of dollars.



**1-800-210-3481**

5701 West Sunrise Boulevard • Fort Lauderdale, FL 33313  
[www.ConsolidatedCredit.org](http://www.ConsolidatedCredit.org) • Email: [counselor@ConsolidatedCredit.org](mailto:counselor@ConsolidatedCredit.org)