

Name _____



Date _____

Budget - Fixed and Variable Expenses

A good way to make sure you have enough money to spend and save is to use a **budget**. A budget helps you make sure your **income** matches your **expenses**. A budget also helps you with **saving** money.

Each month, you may receive income from the job you have, and interest from the money you save. Also each month you will have expenses. There are two main types of **expenses**, fixed expenses and variable expenses. **Fixed expenses** tend to be about the same each month, for example rent. **Variable expenses** tend to fluctuate each month, such as clothing.



One good way to create a budget is to track your income and expenses for one month, by keeping track of each type of expense and if that expense is a fixed expense or variable expense. For the month, Madison earned \$795 and tracked expenses for the month to help create a monthly budget. **Fill out the table below using the expenses Madison tracked. Then total fixed and variable expenses. Also calculate total expenses. Was income greater than or less than expenses for the month?**

Expenses: New pants \$42, Music CDs \$33, Tax on earnings \$257, Rent for an apartment \$169, Food shopping \$83, Going to the movies \$31, Donations \$19, Electricity bill \$57

Category	Fixed	Variable
EXPENSES:		
Taxes		
Rent/Mortgage		
Utilities		
Groceries/Food		
Clothing		
Shopping		
Entertainment		
Miscellaneous/Other		
EXPENSES SUBTOTAL		
TOTAL EXPENSES (Fixed + Variable)		