

Needs, Wants and Budgeting



What We'll Learn Today



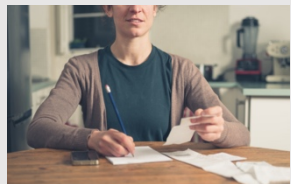
What **needs** and **wants** are in a **budget**



Making **trade-offs** in a budget, including what's important and what's unexpected



How to plan to spend a portion of your income on **wants**



How to make your own **budget**

Leslie's Story

- Leslie works in a grocery store with the help of a job coach.
- Although her pay is pretty good, she doesn't have money for some of the things she wants.
- While doing a budget, Leslie finds out she's spending too much on her phone plan.
- By creating a better budget, she can now buy more things she wants.



Budgeting Game Procedures – Round 1

- Break into pairs.
- Make decisions together to decide how to spend your income.
- Spend **all 20 paperclips** by placing them in category squares.
- You must select an item in each **NEED** box. You can then select items in **WANT** boxes with remaining paperclips.



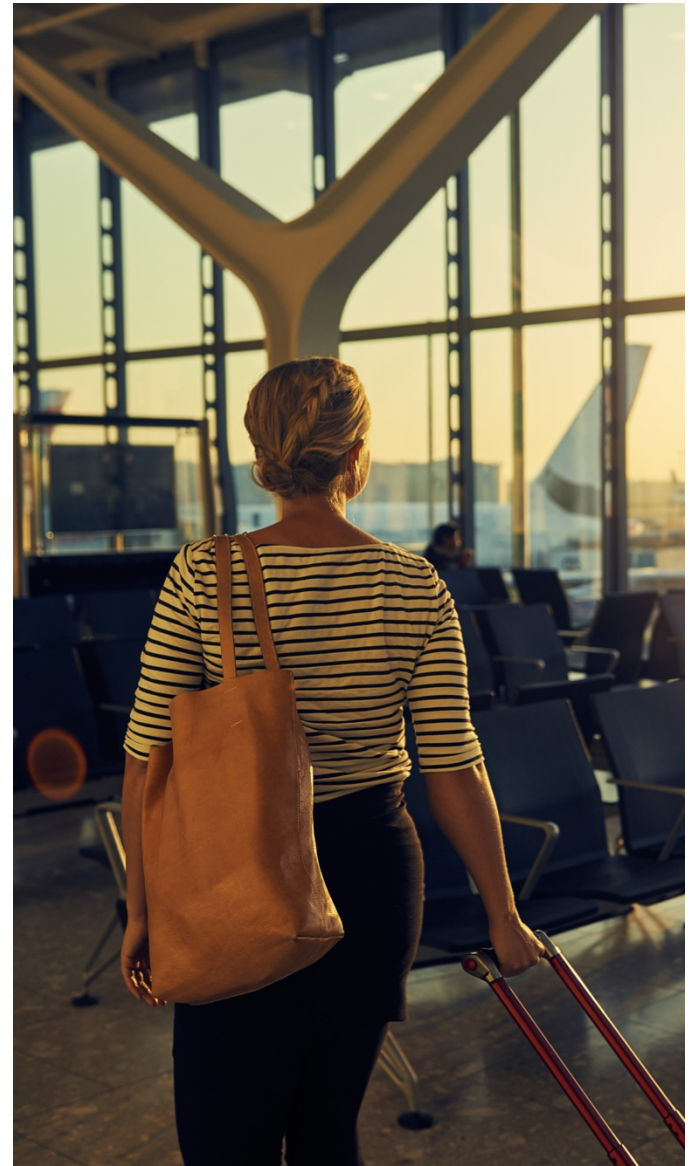
Budgeting Game Tips

A **NEED** is necessary to stay alive.



Budgeting Game Tips

A **WANT** makes your life better.



Budgeting Game Tips

Budget **NEEDS** first.



Smartphone tip:

Is a fancy phone a need or a want? What do you think?



Budgeting Game Tips

Make Saving Automatic!

Save a portion of your paycheck by depositing money into an account for saving.



Budgeting Game Questions

- What is a value?
- How do you think your values influenced your choices?
- How did your group's choices compare to the choices of other groups?



Budgeting Game Procedures – Round 2

You are going to play the same game, with one change:

Each pair now has only **16 paperclips** to represent a pay cut from work!



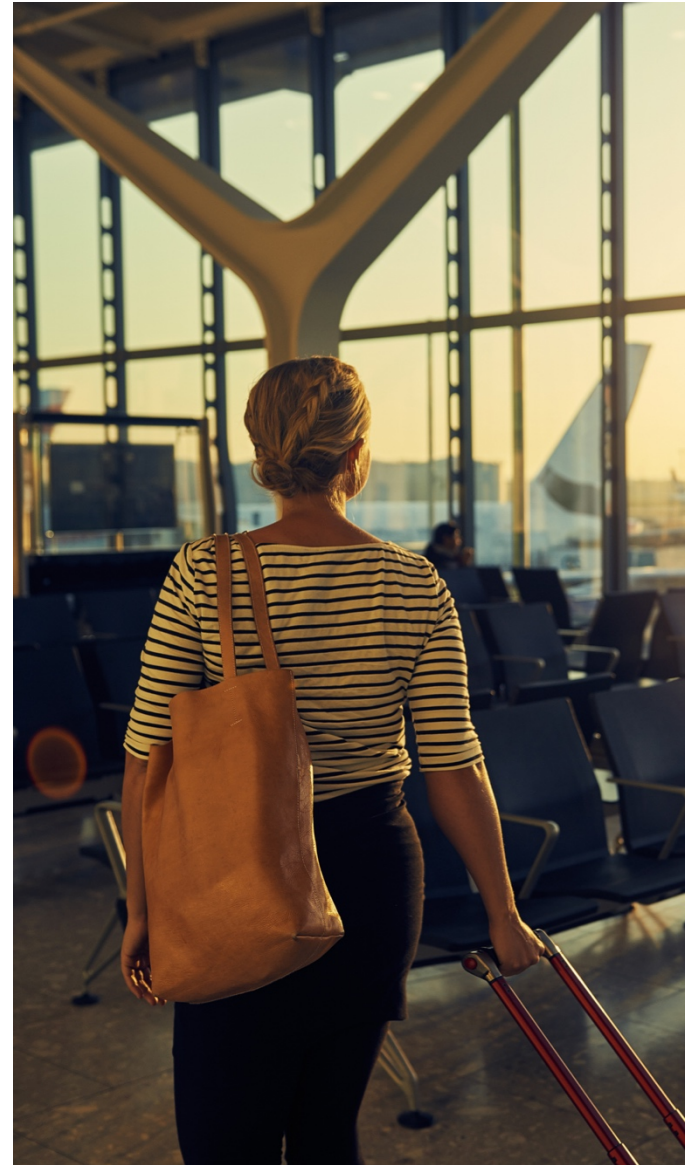
More Budgeting Game Tips

Remember: A **NEED** is necessary to stay alive.



More Budgeting Game Tips

If cuts are necessary, cut back on **WANTS**.



More Budgeting Game Tips

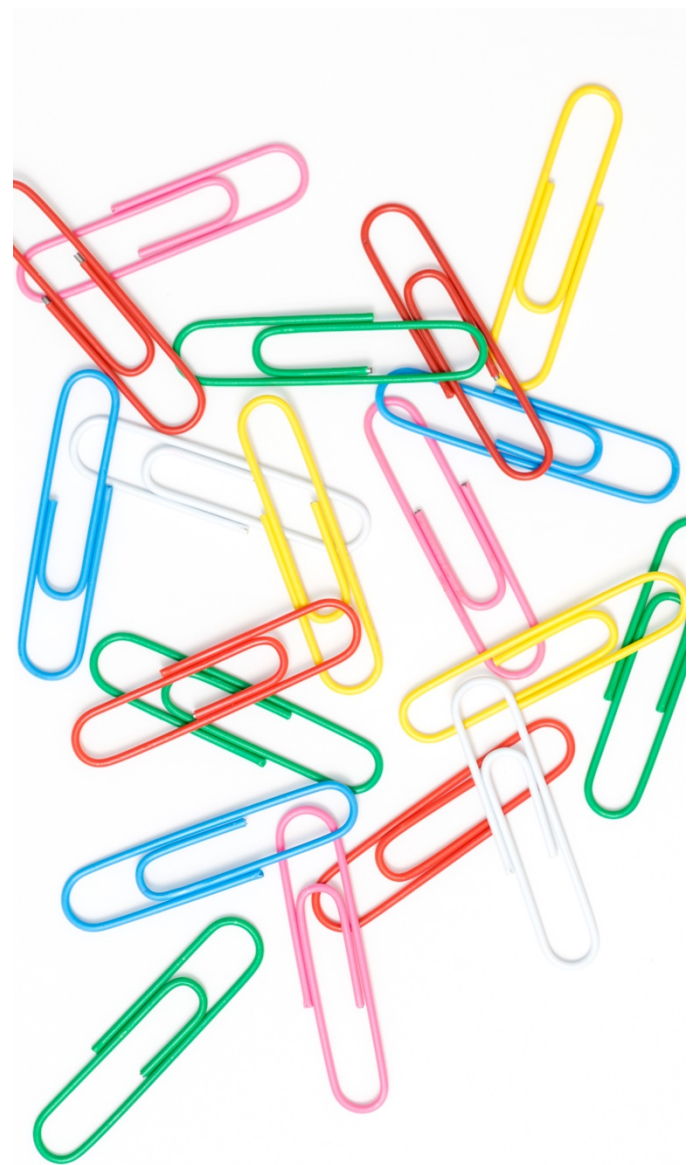
If you borrow money to buy something like a car or home, you must make payments every month.

Never borrow more than you can pay back. If you lose your job or your pay is cut, it makes it harder to change your budget.



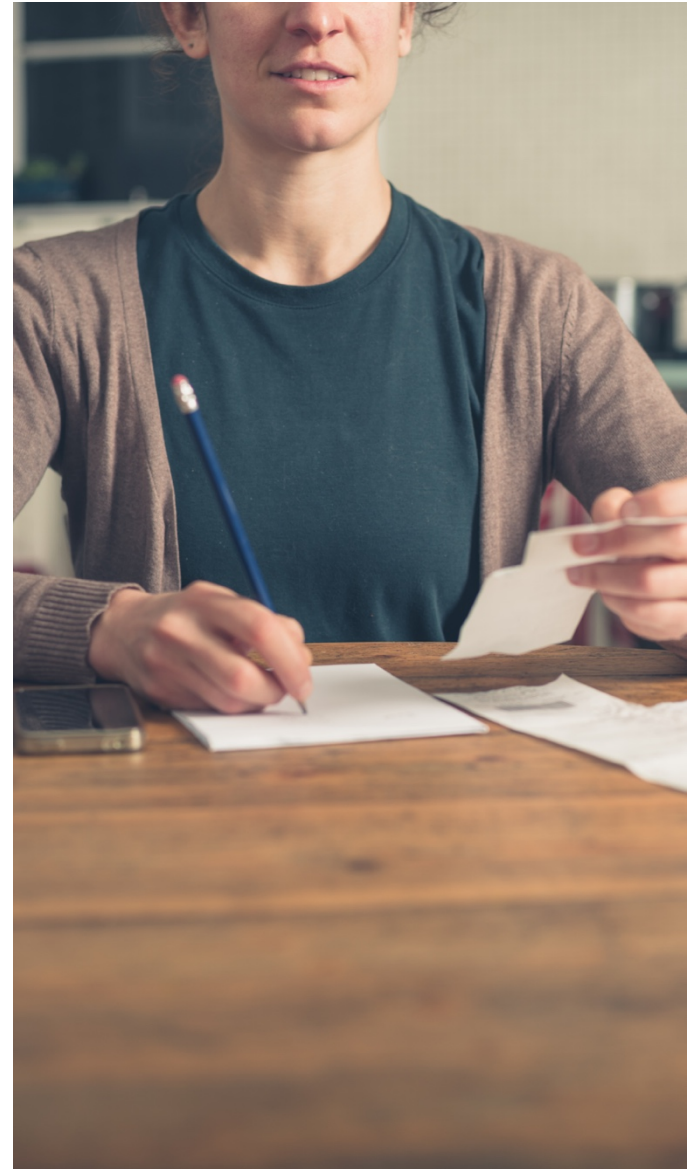
Budgeting Game Question

- What did you and your partner cut from the last round? How would it change your life?
- Did you and your partner disagree about what to cut? How did you talk about it?
- How could a lot of money in a savings account have helped after your pay cut?



Your Own Budget

- Step 1: Add up your income.
- Step 2: Circle the amounts for the things you will pay for, circle “\$0” if you feel you cannot afford it. (For example: If you cannot afford to spend \$25 at the movies, circle “\$0.”)
- Step 3: Add up your expenses.
- Step 4: Subtract the expenses from your income.



Your Own Budget

Please raise your hand if you have any questions.



What we learned today



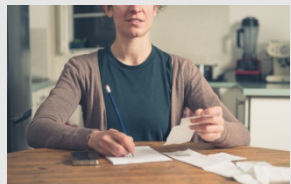
What **needs** and **wants** are in a **budget**



Making **trade-offs** in a budget, including what's important and what's unexpected



How to plan to spend a portion of your income on **wants**



How to make your own **budget**

Questions?

Learn personal finance skills right on your smartphone, tablet or computer. Visit the TD Bank learning center at tdbank.com/financialeducation and register to get started.

