# **Needs, Wants and Budgeting**





Personal Finance for Individuals with Diverse Abilities

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# 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 <u>all 20 paperclips</u> by placing them in category squares.
- You <u>must</u> select an item in <u>each</u>
  NEED box. You can then select items in WANT boxes with remaining paperclips.



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



A WANT makes your life better.



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Budget <u>NEEDS</u> first.



#### **Smartphone tip:**

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



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#### 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 <u>**16 paperclips**</u> 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

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Please raise your hand if you have any questions.



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# **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.

