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Venture: Entrepreneurial Expedition®

Fixed and Variable Expenses

NAME ______________________________ DATE ______________

INSTRUCTIONS

Decide if each scenario describes a fixed or a variable expense.

1. Mika broke her leg and had to have an unexpected surgery. Due to this, she has a large number of medical bills. What type of expense is this?
2. Akeem got his first apartment! He signed a one-year lease. What type of expense is this?
3. Carlos bought a new car. He ended up getting a 5-year fixed-rate car loan. What type of expense is the loan?
4. Panuk got a summer job. He will have to buy a transportation pass to get to his new job downtown. What type of expense is this?
5. Katrina spent more money than she realized on holiday gifts this year. Due to this, she is in a lot of credit card debt. What type of expense is this?
6. Ross got a new puppy. He's very fluffy! He will need to pay for him to get groomed once a month. What type of expense is this?
7. Claudia enrolled herself in "budget billing" for her utilities. This means she will pay the same amount each month. What type of expense is this?

8. Jamie bought a cell phone. He paid for it in full. What type of expense is this?

9. Quinta is starting a new budget. She wants to include gas in her budget but every time she buys gas the price goes up! What type of expense is this?

10. Noah is on a payment plan for his new cell phone. He pays the same amount each month for two years until he pays off the phone. What type of expense is this?

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Budgeting Methods

NAME ____________________ DATE ____________

THE 50-30-20 METHOD

With the 50-30-20 method, you think about your budget in terms of percentages. You should aim to spend no more than 50% of your budget on needs and no more than 30% of your budget on wants. The other 20% (or more, if you spend less on needs and wants) should go toward savings. Savings includes an emergency fund, money for future financial goals, and money to pay down any debt you have.

THE CATEGORIES METHOD

With the Categories method, you think about your budget in terms of different categories. You can break this up into as many categories as you want. Some people like only a few categories and put them in order of importance. Others like a lot of categories so they can keep close track of how they spend their money. You can also use envelopes (real or virtual) to keep track of each category.