

M9

Saving Money

8.2

- Remember: How much money you have is rarely about how much money you make, it is usually about how much money you spent.
- “The easiest way to make money is not to spend it.”
- To regulate your spending, you need to distinguish between **wants** and **needs**.

Want = a thing or a service that is fun to have or experience but it is not necessary to a healthy meaningful life.

Need = a thing or a service that is essential to a healthy and safe life = nutritious food, safe shelter, comfortable clothes that are age and weather appropriate, means of transportation, medication, education = learning life skills.

- To save money, one has to budget.

Budget = a plan that describes sources and amounts of money (income) and items/services that money is spent on.

- A budget can be daily, weekly, monthly, annual = yearly, or related to an event (trip, wedding,, graduation celebration) or an item (purchasing a new TV set, investing into a piece of art, buying a car, ...)

SMART budget

- **Specific**
- **Measurable**
- **Attainable**
- **Realistic**
- **Timely**

