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# Budgeting for Teenagers

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**B**udgeting is an important tool to utilize, especially at a young age.

Tracking where money is coming in from and out to is essential for reaching financial freedom along with helping to avoid overspending, and staying focused on the future.

The first step is to track all income. Whether it is a part time job or a side hustle or even investing, track all of the money coming in.

## Needs Vs. Wants

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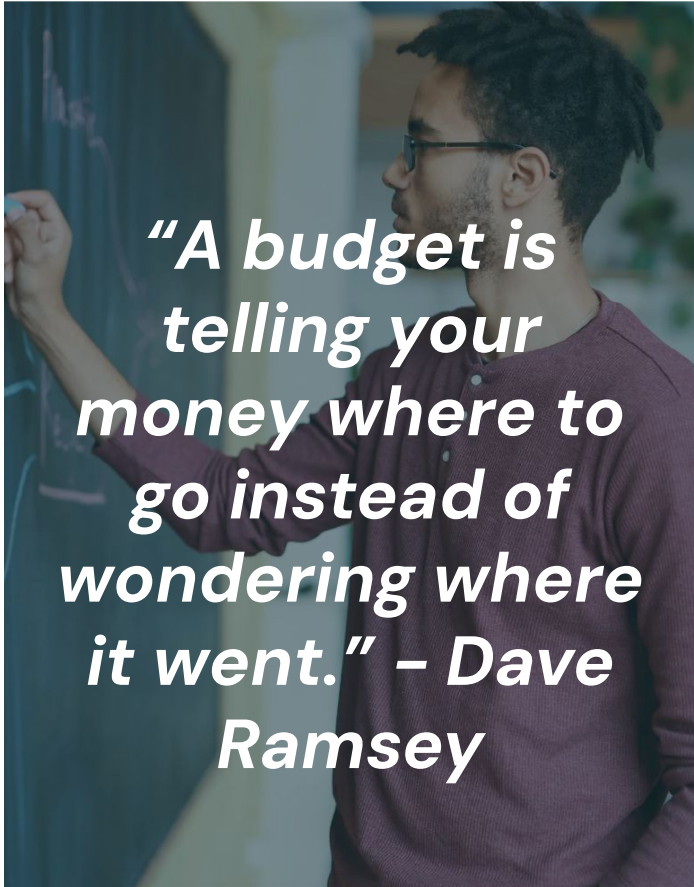
After calculating income and where money is coming in from, it is important to differentiate between needs and wants. Everyone has different financial goals so their income split may be different, but allocating 50% of income to needs, 30% to wants, and 20% to savings is typically a good start.

It is also paramount to continue to budget and not make it a one time thing. Consistency is key, and the benefits will only start to show over time.

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Living frugally and spending money intelligently will soon become a habit, and learning to live this way is beneficial for later in life. Saving is a very crucial part of budgeting, and once you have the knowledge and are able to, investing is a great way to grow your savings even more.



***"A budget is telling your money where to go instead of wondering where it went." – Dave Ramsey***