

# Why Budgeting is Important

Budgeting helps you manage your money so you can afford the things you need and want. It helps you:

- Keep track of your income and expenses
- Save for important goals
- Avoid running out of money too quickly

## Steps to Create a Budget

### Know Your Income

Income is the money you receive, such as allowance, job earnings, or gifts.

### List Your Expenses

Expenses are the things you spend money on, like:

- Food & snacks
- Entertainment (movies, games, outings)
- Transportation (bus, Uber, fuel)
- Savings
- Bills (phone, subscriptions, etc.)

### Compare Income & Expenses

- Make sure your expenses do not exceed your income. If they do, look for ways to cut costs.
- Set Spending Limits
- Decide how much to spend in each category.
- Save for the Future
- Try to save a small amount each time you receive money.

### Tips for Smart Budgeting

- Use a notebook or budgeting app to track your spending.
- Think before you buy: Do I really need this?
- Set a goal for something special (a trip, new clothes, a fun event).
- Look for discounts and free activities.

