

CE.PFL.1.2

Explain how fiscally responsible individuals create and manage a personal budget that is inclusive of income, taxes, gross and net pay, giving, fixed and variable expenses and retirement (e.g., budget, financial plan, money management, saving and investing plan, etc.).

Students will understand:

1. Individuals often use personal budgets as a means to help manage income, expenses, savings and investments.
2. Effective budgeting can lead to the fulfillment of long-term goals.
3. The financial plan an individual commits to follow can greatly contribute to their financial well-being and security.

Students will know:

1. How to create a budget that balances income, expenses, savings, and investments.
2. Examples of “disposable income” and “discretionary income.”
3. The difference between gross and net pay.
4. Reasons for and methods of saving for retirement.
5. The significance of the personal financial strategy “pay yourself first.”
6. Examples and non-examples of individual fiscally responsible behavior.