

The Basics of Saving and Budgeting Answer Key

People who are “good with money” don't necessarily have a lot of it. What they possess are discipline and purposeful money habits. Need a hand getting started? Watch the video “[Steps to Better Money Habits \(3:25\)](#)”. Take notes and identify the steps you can take to get “smart” with your money. Describe ways that these smart money steps can help you live comfortably and securely. (Source: www.bettermoneyhabits.com)

The Four Steps to Becoming Financially Savvy

Step 1: Set a budget

Step 2: Get a handle on your debt

Step 3: Establish a savings goal

A) Establish an emergency fund

B) Set long-term savings goals

Step 4: Review and improve your plans whenever you can

Summary

Being smart with money starts with better money habits.

Apply to your own life

Describe how you can start today and be more strategic with respect to (1) budgeting, (2) saving, and (3) spending.

(Accept a variety of student responses.)