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# Managing Money and Creating Your First Budget

**KS3** Ages 11-14 ⌚ 3 min read

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## What is a Budget?

A **budget** is simply a plan for your money. It shows how much money you have coming in, where it goes, and how much is left over. Everyone uses budgets — families, schools, businesses, and even countries. It's not about being mean with money; it's about being smart with it.

Think of it like a video game. You start with a certain number of coins. Before you spend them, you decide: how many coins for weapons, how many for armour, how many to save for the final boss? A budget is your money-game plan.

## How to Create Your Budget

Creating a budget has **three main steps**. First, work out your **income** — this is all the money coming in. This might be pocket money, birthday money, or money from a part-time job. Write down the total.

Second, list your **expenses** — everything you spend money on. This might be snacks, games, streaming services, or travel. Be honest and include everything, even small amounts. Group them into categories like **food, entertainment, saving, and transport**.

Third, do the maths. Take your income and subtract your expenses. Hopefully, you'll have money left over to save. If you're spending more than you earn, you need to cut back on something.

Think of it like filling a bucket. Income is water pouring in. Expenses are holes in the bucket letting water out. If the holes are bigger than the water coming in, your bucket empties. A good budget makes sure the water coming in is bigger than the water going out.

## Why Budgeting Matters

**Budgeting helps you reach goals.** Maybe you want to save for a new phone, a holiday, or a skateboard. A budget shows you exactly how long it will take and keeps you on track.

It also stops you running out of money when you need it most. When you understand where every penny goes, you can make better choices — like deciding if that expensive coffee is really worth it, or if you could save money by making it at home.

**Learning to budget now is a superpower.** Adults who budgeted as teenagers are much better at managing money as grown-ups. They worry less about money, save more, and achieve their dreams faster.