

Budgeting Word Search

Answer Key

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■ 10 Terms & Definitions

<p>BUDGET</p> <p>A budget is a financial plan that estimates income and expenses over a specific period — typically monthly or annually. Creating and following a budget is the cornerstone of personal financial health. It helps you track where your money goes, identify wasteful spending, prioritiz</p>	<p>INCOME</p> <p>Income is the money received from work, investments, or other sources. In budgeting, gross income is your total pay before taxes, while net income (take-home pay) is what actually hits your bank account and what your budget should be based on. Understanding your true net income i</p>
<p>EXPENSE</p> <p>Expenses are the costs of goods and services you purchase. In budgeting, expenses are categorized as fixed (the same every month, like rent or car payments) or variable (changing monthly, like groceries or utilities). Tracking both types is essential to building an accurate budge</p>	<p>SAVINGS</p> <p>Savings are the portion of income left after all expenses have been paid — or more strategically, the amount you deliberately set aside before spending. Financial experts recommend paying yourself first by automating savings transfers at the start of each month. The savings rate</p>
<p>DEFICIT</p> <p>A budget deficit occurs when your expenses exceed your income in a given period. Running a deficit means you are spending more than you earn, which typically leads to credit card debt, depleted savings, or both. Identifying and eliminating a budget deficit is the first financial</p>	<p>SURPLUS</p> <p>A budget surplus occurs when your income exceeds your expenses — you have money left over after covering all costs. A surplus gives you financial options: pay down debt, build savings, invest, or increase spending in areas that bring value. Consistently running a surplus is the f</p>
<p>NEEDS</p> <p>In budgeting, needs are essential expenses required for basic living — housing, food, utilities, transportation to work, and minimum debt payments. The 50/30/20 budgeting rule allocates 50% of take-home income to needs. Distinguishing needs from wants is a crucial budgeting skill</p>	<p>WANTS</p> <p>Wants are discretionary expenses that improve quality of life but are not essential for basic survival. In the 50/30/20 budgeting framework, wants are allocated 30% of take-home income. Examples include dining at restaurants, streaming subscriptions, vacations, hobbies, and upgra</p>
<p>TRACKING</p> <p>Budget tracking is the ongoing process of recording and categorizing every income and expense to compare actual spending against your planned budget. Without tracking, budgets are just aspirational documents that rarely reflect reality. Modern tools like Mint, YNAB, and bank apps</p>	<p>EMERGENCY</p> <p>An emergency fund is a savings reserve set aside specifically to cover unexpected expenses or income loss — job loss, medical bills, major car repairs, home emergencies. Financial advisors universally recommend building an emergency fund of 3–6 months of living expenses before ag</p>