CARDINAL COMPASS - NO. 4

Making a Budget

VOL. 4 Money Sense - Volume 4 - Version 6

Make the plan before the money is gone.



HANDS-ON LEARNING | WITH CARL THE CARDINAL

Read this together. Money that has no plan can slip away a little at a time, until there is nothing left for the things a family needs most. A budget fixes that by deciding ahead of time. In this book you will meet a pretend family, sort their tokens into envelopes, follow their plan week by week, shop from one envelope, and fix the plan calmly when surprises arrive.



Meet Carl

Carl the Cardinal is your guide. At his table he has a pencil, a plan grid, and three picture envelopes: a food basket, a house, and a heart for giving. He does not rush. He thinks, he counts, and he makes the plan before the money is gone. His green neckerchief and his gold compass medallion stay on for every adventure.

Color your own Carl on the last page.

In this book you will sort tokens, track a month, shop from an envelope, revise a plan, and build your own.

READ TOGETHER

What Is a Budget?

A budget is a plan for money, made before the money is spent. It says how much will go to each job: home, food, giving, saving, and fun. The plan is made on purpose, while there is still time to think.

> **Budget:** a plan giving each bit of money a job before it is spent.
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> **Plan:** a decision made ahead of time about what to do.
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> **Allocation:** giving a token a job in the plan. A token can be allocated to spending, to giving, or to saving.
>
> **Balance:** when the total allocated equals the money available to plan, so every token has exactly one job. Saving counts as allocated, because saved money is kept on purpose. It is not money going out.
>
> **Income:** money that comes in. In this book, the amount to plan with is the money available after any deductions have already been taken out.
>
> **Expense:** money that is spent and goes out.

Think of a team before a game. The coach does not wait until the game is over to decide who plays where. The team makes a plan first, then follows it, and changes it calmly if the game changes. A family budget works the same way.

The big idea to keep

A budget does not promise there will be enough. Making a plan cannot create money that is not there. A budget is also not only about cutting fun. Fun is a real part of a good plan, given its own envelope like everything else. A budget is about deciding on purpose, so the most important jobs are covered first and nothing is left to chance.