

Back to School Budget

July 28, 2009



It's late July; summertime is winding down, and summer vacations are coming to an end. Ready or not, it's back-to-school time! A time that kids eagerly anticipate — seeing old friends, making new ones, and getting back to the daily school routine.

Back-to-school shopping lists and preliminary budgets are probably under development in your home. Chances are you and the kids have begun to scan the newspapers, looking for sales to shop for the host of supplies, clothing, and other school essentials needed for the new school year. So this year, how about getting your kids involved with the list making and handing over a bit of the budget responsibility to them?

When kids have to figure out how to live within a budget, even a small one, they begin to make better choices and gain a deeper understanding of the value of things. And as kids take this beginner's money responsibility step, parents report a lot fewer "I want it/Can I have it?" requests. A win-win in our minds — how about yours?



When To Do

After dinner, on the weekend

What To Do

Build a back-to-school budget for each of your kids to manage, and involve them in the shopping!

Step 1: Creating the Budget Wish List

- Create a simple budget worksheet with four columns.

Column 1	Column 2	Column 3	Column 4
Needs	Cost	Wants	Cost

- Ask your kids to list the back-to-school items they need and want.
 - *Needs* are the things that are absolutely necessary to do their schoolwork (pens, books, paper, backpack) — and for their growing bodies (pants, shoes).
 - *Wants* are nice or fun things they might buy if there is money in the budget, such as a wallet, iPod, jacket.
- If your school has given you a list of items needed for the upcoming school year, be sure to share this with your kids as you prepare the wish list.
- Help them estimate the cost of each item, using catalogs or websites.
- Add up the total for each category and the combined total of both.

Step 2: Set the Budgets

- Decide on an amount to cover the needs items identified in Step 1 for which you want your kids to be responsible.
- Decide whether to provide money to cover any of their wants items.

Step 3: Share the Budget Amount and Finalize their Lists

- Let your kids know how much money you'll give them for the back-to-school budget — and which needs and wants items it must cover.
- Based on your decisions, help them create the final back-to-school budget list.

Step 4: Go Shopping/Track Progress

- Work together to identify stores where they could find all their assigned items.
- When you get ready to go shopping, help them remember to bring the budget money and their shopping list.
- Suggest they record what they actually pay for each item on their budget list, keep a running total, and use the information to help them manage their budget funds.

What you need

Paper

Pencil

Eraser

Calculator

Talk About It

Were they able to buy all the items on their list within their budget? Did they find any sales, so they ended up with extra money? Did they choose to move any item from needs to wants — or from wants to needs?