

Earning and Spending

People Need Money

When people buy something or pay someone to do a job, they are consumers. Consumers use money to buy what they need and want. A need is something you must have to live. A want is something you do not need but would like to have. This lesson tells how Theo's family spend their money.



Earning Money

Income is the money people get for working. They use their money to buy what they need. The income people earn depends on the work they do. Theo's dad is a truck driver. His mom works in a doctor's office.

Making a Money Plan

A plan for how to use money is called a budget. It shows how much money you have and how you will spend it. Theo's parents write down their income for the month. Then they write how much they will need for savings and expenses. After that they check to see if there is money left to buy special things.

Choosing to Save

Theo's family plans to save money for the future. They put money in a savings account. The bank pays them interest. The interest is added to the money Theo's family saves.