

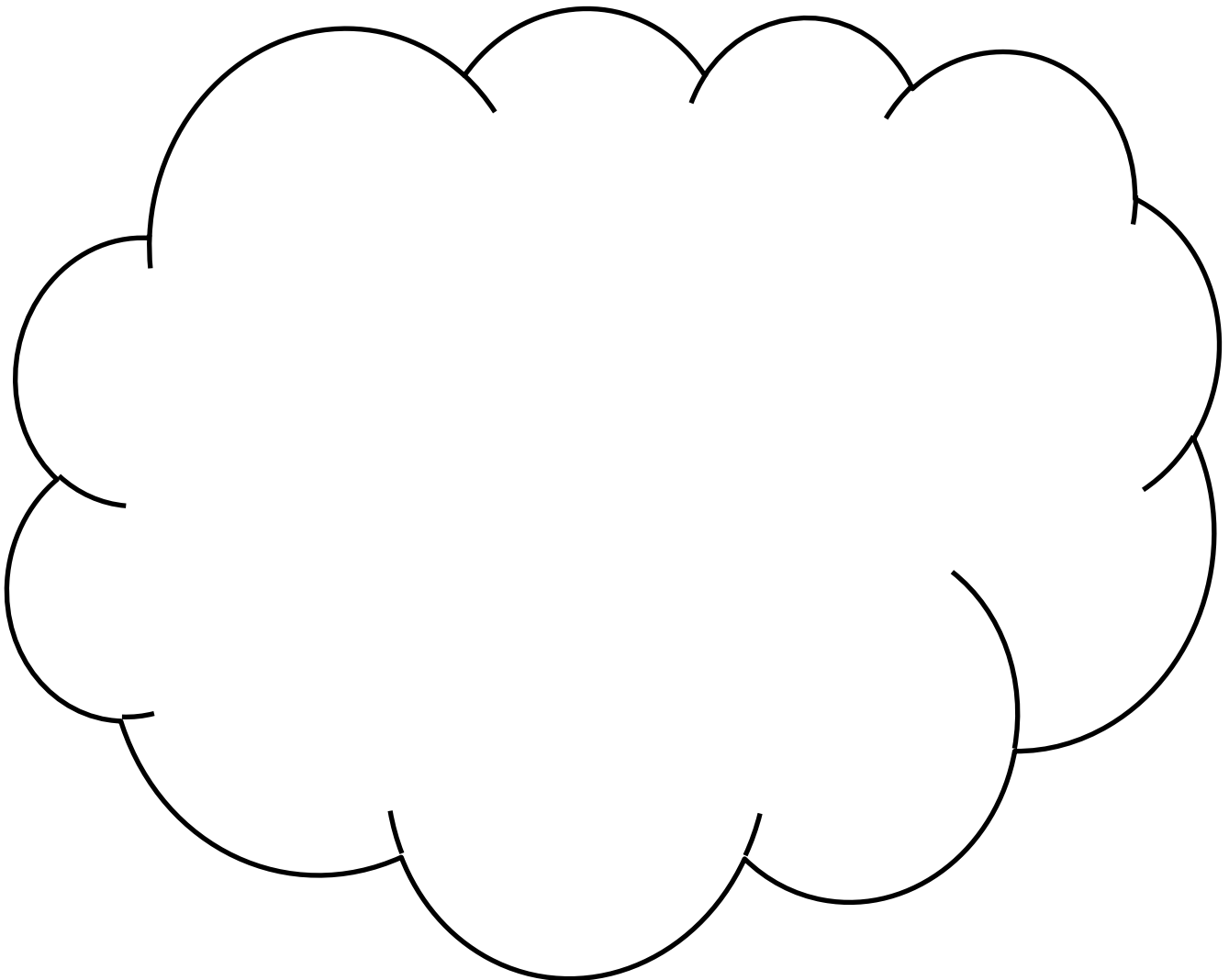
# Expenses



To start this lesson, here are 4 key definitions you need to know:

1. **Essential expenses** are not optional. Food is an example.
2. **Non-essential expenses** are optional. A trunk organizer for your car is an example.
3. **Fixed expenses** are the same amount each week or month. They are usually paid on the same day each week or each month. Rent is one example of a fixed expense.
4. **Variable expenses** are expenses that usually change in amount or in how often they are paid. A Hydro bill (electricity) is an example of a variable expense.

Brainstorm as many types of expenses you can think of that you or your family must pay every month. HINT: Think about costs for your house, eating, transportation, health, entertainment, cell phone, etc.





1. Let's sort our answers as a class into the following chart:

Essential		Non Essential	
1.		1.	
2.		2.	
3.		3.	
4.		4.	
5.		5.	
6.		6.	
7.		7.	
8.		8.	
9.		9.	
10.		10.	
11.		11.	
12.		12.	
13.		13.	
14.		14.	
15.		15.	

2. Place an **"F"** beside expenses that are fixed and a **"V"** beside expenses that are variable.

3. Estimate the cost of each expense (per month) and add it to your chart.

4. Add up the following totals:

a) How much just the Essential expenses cost

b) How much the Non-Essential expenses cost

c) How much would you need to earn in one month to cover your costs?

d) If you had to cut out some Non-Essential expenses, which ones could you live without to save some money?