

NEEDS AND WANTS

Let's go back to the store. There are things you need and things you want. Understanding the difference between needs and wants forms the basis of making good financial decisions.

NEED

A need is something you must have to survive.

For example, food, clothing, shelter, education.

WANT

A want is something fun to have but you can live without.

For example, video games, latest gadgets, toys.

Have you ever gone to a store with your parents or guardians and seen something you really want or need? But the adult accompanying you probably said "no". In many cases the no is followed by a "you do not need it" or "why don't you save for it".

This course is created for us to become more financially literate so we understand how to handle money better. You are never too young to learn money management.

Does this mean I only buy things that I need and never buy anything that I want?

The answer is NO! We are absolutely allowed to buy fun things that we want. But responsibility comes in knowing if we can afford it or not. Most adults also struggle to make this decision. This is where budgeting comes in handy.

A budget is a plan for managing your money. It is based on knowing your income and being aware of your expenses.

Income is the money you receive via earnings or gifts. Expense is the money you spend. Your income should always be more than your expense.

This seems like a simple concept as a young learner. How can you spend more money than what you have?

But this is where it gets tricky for adults. When we spend more than we make, we go into debt. A debt is money that we borrow which must be repaid. As an adult, there are ways to borrow money.



WAYS TO BORROW MONEY:

BANK LOAN

A loan is money that is given to us by a bank in agreement that we will pay back over time with interest. For example, let's say we want a bike and it costs INR 50,000. We do not have that money now. We can take a loan from a bank and sign an agreement that we will pay it back over 10 months. Banks will charge an interest on the INR 50,000 borrowed. So we will pay back a little over INR 50,000. If we are definitely assured of making enough money to pay back the bank, a loan works well. But if we aren't sure, we will be in trouble.

PAY VIA EMI

Next time your parents shop online, look at the payment options. You will find something called Pay via EMI. EMI is Equated Monthly Instalments. Let's say we want the new Xbox and it costs INR 10,000. But we only have INR 2,000 with us. The seller will extend an EMI where we enter into an agreement that we will pay INR 2,000 every month for the next five months ($2000 \times 5 = 10000$). So we get to take the Xbox home immediately but pay for it over five months. If we aren't responsible with money and have no idea if we will be able to spare INR 2,000 next month from our income to pay the seller, we will be defaulting the agreement. That can land us into financial trouble.

CREDIT CARDS

These are cards given by banks to adults who have bank accounts. If we were to buy a coffee maker but do not have the money to pay for it, we could swipe our credit card and buy it. This means the bank will pay for the coffee maker on our behalf. The bank will give us a month or longer to pay them back. If we do not pay them back, they will penalise us with a fee.

As responsible adults, it is important for us to estimate our income and know if we can pay it back or not. It is also judicious to take the right decision on whether we need an Xbox, coffee maker or not.

Let's do a quick exercise. Below is the Needs-Wants pyramid. Also listed are a series of items to buy. Can you slot them into needs and wants? On the left, we have a cost scale. For instance, pencil. It costs ₹10 and you need it for school. Hence it comes in the NEEDS part of the pyramid in the <₹1,000 grid.



Pencil
School bag
Avengers school bag (limited edition)
Drone
Laptop
Gardening kit

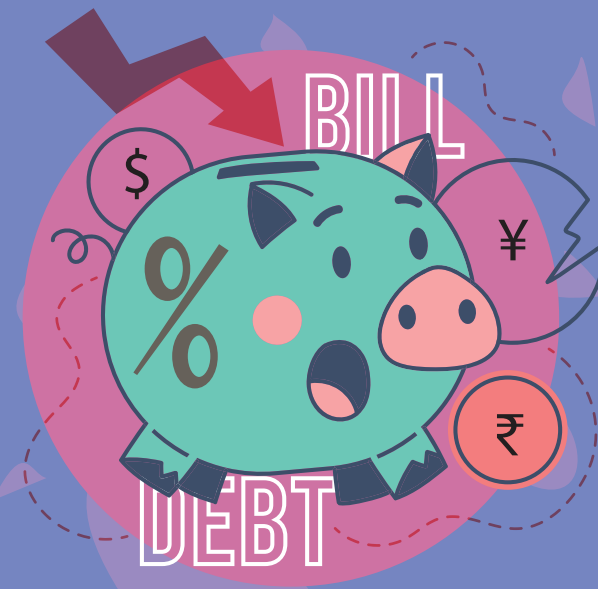
Kitkat chocolate
Maggi
PlayStation
Shoes
Nike shoes
Popcorn

Band-aids
Bike
Trip to the planetarium
Movie theatre
Iphone
Toothbrush

KNOWING THE MARKET

There are two ways to procure a home. We can buy or rent it. Buying a home is one of the biggest expenses adults incur in their lifetime. Before making a purchase, what considerations do you think will be made? List them below.

Most people forget the financial considerations. Here are three things to understand:



#1 THE ECONOMY:

Economy, in the simplest terms, is the way in which people spend money and make money. An economy can be small, within a town, or can even extend to an entire country. It is the sum total of all goods and services produced and consumed within an area. Goods include all physical things produced or consumed, such as cars, food, clothing, etc. Services include value provided using time and skills such as teaching, medical care, cleaning, etc. Both goods and services are provided in exchange for money. Before we buy a house, it is important to understand the economy as prices can change. Depending on how well or not-so-well the country's economy is performing, prices of construction materials can go up or down. This will have a direct impact on the price of the house.

#2 PROPERTY VALUE:

A house is an asset. So is your cycle. Anything that we own and has a value attached to it is called an asset. Let us go back to your cycle.

What did you pay for it?

When did you buy it?

If you were to sell it now, how much would you get?

When we sell almost everything after usage, the value decreases. This is called depreciation.

Every type of asset loses its value over time. But a real estate property has the potential to appreciate. This is when the value goes up! So how does the value of a home that you are living in and using go up?

Imagine you bought a home as it was being built in a not-so-crowded location. You got a good deal. The house took about three years for construction. Once the building was done, people began moving in. A taxi stand sprang up. Restaurants and malls opened close by. Few office buildings were built, and a school. Finally, the metro for easy access. This is called development. Suddenly a location that had nothing but just one building under construction, became a mini city. Many people want to live in your building as it is conveniently located close to their office and school. This drives up demand. Demand is how much people want it. Suddenly the value of your property will go up. You will be able to sell your home for a higher price than what you paid. It is always prudent to analyse and project the property value before buying a home.



Find out which is the new area in your city that is about to appreciate. Ask your parents for help.

#3 LOAN, INTEREST RATES, AND CREDITWORTHINESS:

Let us break this down into three parts. To buy a home, you can either pay the entire amount or get a bank loan. Imagine a beautiful home that you would love to own and it costs ₹50 lakhs. You have ₹55 lakhs in your bank account. Will you pay ₹50 lakhs and buy it or take a bank loan?

It would be a better option to take a bank loan so we still have money for our sustenance rather than bring it down to almost nothing. A loan will allow us to pay for the home over time. This process of maintaining cash flow is called **cash management**.

To get a bank loan, we need to submit all our financial documents to the loan officer who will review them in detail. They will look at our past records. Have we paid our bills on time? Any missed payments? Do we have a stable income? Once they analyse all our records, a **creditworthiness score** will be assigned.

This tells the bank how likely are we to pay back what we borrow, and how much loan can we possibly take. Basis this score our loan will get approved or denied.

As a thumb rule, 20% of the total cost has to be paid as **down payment**. This is the sum of money a buyer has to pay upfront to the seller and the remaining 80% can be taken as a loan. In this case, down payment for a ₹50 lakhs home would be:

$$20\% \times 50,00,000 =$$

$$80\% \times 50,00,000 =$$

Down payment

Loan

The bank will charge an interest on the loan which means we repay ₹50 lakhs and the additional interest. This is the bank's fee for lending us the money when we need it.

The other option is to rent a home. In this case, we will have to pay a monthly fixed amount as rent to the owner. We have to get into a rental agreement for a fixed period of years and stick with the schedule of payments. This rent usually increases every year. The rent is called an expense while the EMI we pay when we buy a home is towards our investment. This is because the home we rent will never become an owned asset. Hence it is a cost that we have to bear every month in exchange for living in that space. But EMI for a home that will eventually become ours is towards an investment for our future.

BUDGETS, EXPENSES, AND INCOME

Everything has a cost. This is the first lesson everybody learns when they begin living by themselves. Things we often take for granted and assume are free have a cost. A lot of these costs, or expenses, are incurred month on month. Creating a budget can help us do a great job of managing these expenses.

When we have a budget, we will be in a perfect position to understand and control our expenses. Having knowledge of how much we spend and where we spend can help us create financial stability.

The thought of creating a budget may seem daunting, but it can actually be quite fun. Let's break down our expenses.

All expenses are broken into two types:

- (1) Fixed expenses
- (2) Variable expenses



Fixed expenses are those that do not change periodically. These are predictable. For example, rent or parking fee. We know exactly how much we have to pay every month. We have entered into a verbal or written agreement. A rental agreement is a form of written agreement, while monthly salary paid to our domestic help is a verbal agreement. Both are fixed and do not change month on month.

Variable expenses change constantly basis usage habits. For example, your electricity bill is subject to change depending on your consumption. If you go on a holiday for 15 days and are careful enough to switch off all electrical appliances before leaving, your bill will be much lower than usual. While the Mysticals had to pay for electricity, gas, and water, there are more such services we avail on a regular basis. For example, paying for internet. These expenses form a section in your budget called Utilities.

The other categories in your budget include-

Transportation

If you own a car or a bike, think about everything you need to pay to keep the vehicle running properly. Cost of petrol or diesel, cleaning fee, maintenance and repair, will be a part of transportation cost.

Groceries and essentials

This includes all monthly purchases from staples to toiletries. They are essential for our life, though the occasional chocolate gets included here!

Healthcare

All hospital and pharmacy expenses are slotted here.

Travel

The weekend trips we take and long holidays come under travel. Most people also set aside a travel fund where they contribute monthly so they save and take a holiday.

Memberships and subscriptions

This includes all our entertainment subscriptions such as Netflix, memberships such as gym, and hobby classes we attend.

Debt payments

When we take a loan, we have to pay back a part of it every month. All money we borrow is called debt. Whatever we have to repay every month comes under debt payments.

Miscellaneous

Eating out, ordering in, parties, toys and games come here. The occasional emergency but necessary purchase, such as a broken laptop, also comes here.

We have pulled out expenses incurred by Verum's family in a particular month. Can you put them into the budget plan given below?

In Mystos		In Mystos	
Verum's school fee	1,000	Dragonfly Lane weekend picnic	400
Verum's bus fee	1,500	Window pane repair	130
Vegetables and staples	10,000	Health insurance renewal	200
Milk	500	Willow's dentist appointment	550
Laundry	200	MysticLand TV subscription	250
Tempus Machine travel fee	2,200	Wiggle House Cafe dinner	350
Gardener	400	MysticPost subscription	350
Electricity	750	Moira's pickle ball club	210
Gas	350	Verum MysticBeast cloak (limited edition)	1,200
Verum's crystal ball class	200		
Moira (Verum's mom) spa	325		
Verum's school stationery	150		



Take a week and observe expenses at home. Ask your parents to show you various utility bills. Understand when it increases or decreases. Do your parents maintain a record of their monthly budget? How do they plan their expenses? If they do not create a budget, share Verum's family budget template!

VERUM'S FAMILY BUDGET



UTILITIES

TOTAL

GROCERY AND ESSENTIALS

TOTAL

MEMBERSHIPS AND SUBSCRIPTIONS

TOTAL

HEALTHCARE

TOTAL

TRANSPORTATION

TOTAL

MISCELLANEOUS

TOTAL

EXPENSES AND INFLATION



The Mysticals are quickly learning that everything has a cost. And money that they have is limited. So it becomes necessary to learn to live within their means. Before we deep dive into our expenses, let us understand some key aspects of prices.



Do you know the price of one kilogram of tomatoes? Let's find out.

What was the price of one kilogram of tomatoes when our parents or guardians were our current age?

Is there a difference in price? Let us try the same with onions. Is there a difference in price?



The difference in price comes from a very important concept called inflation. A general increase in price is called *inflation*. The price of a cola that your parents consumed when they were your age will be significantly lower than the price today. But why? It's the same cola, same bottle, and same quantity.

Inflation happens for many reasons but they can be broken down into three types:

DEMAND-PULL INFLATION

Imagine you are at the shop to pick up the latest Xbox. You see two pieces on the shelf. There are five people trying to grab the two pieces. This is when demand is more than supply. Demand = 5 people want the Xbox. Supply = 2 pieces. The shop owner can actually sell to whoever is willing to pay a higher price. The price goes up as supply is less and demand is high. Now let's go back to onions. What if there was a drought and production of onions is low? But people who buy onions do not stop asking for them. This is when the price of onions goes up because they are scarce (or less).

The opposite can also happen where the supply is greater than demand. Prices can drop too!

COST-PUSH INFLATION

While tomatoes and onions are raw ingredients, an increase in their cost will have an impact on the price of a cooked dish, for example, pav bhaji. If the cost of milk goes up, that will lead to an increase in the price of butter and therefore an increase in the price of pav bhaji.

BUILT-IN INFLATION

When inflation goes up, it leads to a general increase in the cost of life. This means people demand a higher salary. Let's go back to the restaurant serving pav bhaji. If everybody who works at the restaurant demands higher pay, the owner will have no choice but to increase the price of food they serve.

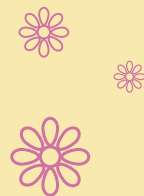
Is inflation bad?



Not really! An increase in prices means that people in that country are doing well to be able to afford to pay more. But a sudden and high increase is called hyperinflation. This is not good because people will not be able to afford necessities anymore. This will lead to poverty. At the same time, prices falling or deflation, and prices staying the same or stagflation, is a sign of a country not doing well.



Who controls inflation?



It is the responsibility of every country's central bank to control inflation. India's central bank is the Reserve Bank of India. They keep a check on inflation and do a series of things such as increase or decrease taxes, introduce new policy changes to keep things running smoothly.

Note: More on this will be discussed in the Banking and Taxation course.

Let's talk about India. Can you find out the rate of inflation in India? Have a conversation with your parents.

Who decides the price of groceries?

It is extremely important to keep a daily check on prices of staples as they change constantly on the basis of demand and supply. In India, the **Price Monitoring Division (PMD)** of the Department of Consumer Affairs is responsible for monitoring prices of selected essential commodities. They have handpicked 22 essential commodities such as rice, wheat, different types of dals, sugar, oil, etc. They monitor their prices every day. India is a large country. So they have set up 550 market centres spread across the country representing North, West, East, South, and North-eastern regions of the country. Each centre records the price in its location and passes it on to the government. This helps the centre monitor and make adjustments as required.

- | | |
|-------------------------|-------|
| Potatoes (1 kg) | _____ |
| Spinach (1 bunch) | _____ |
| Beans | _____ |
| Okra | _____ |
| Carrots (1 kg) | _____ |
| Apples (1 kg) | _____ |
| Grapes (1 kg) | _____ |
| Mango (1 kg) | _____ |
| Tur dal | _____ |
| Moong dal | _____ |
| Flour (1 kg) | _____ |
| Capsicum (green) | _____ |
| Capsicum (red / yellow) | _____ |
| Rice (1 kg) | _____ |
| Basmati rice (1 kg) | _____ |
| Mushroom | _____ |
| Bread (1 loaf) | _____ |
| Cheese block | _____ |
| Tea | _____ |

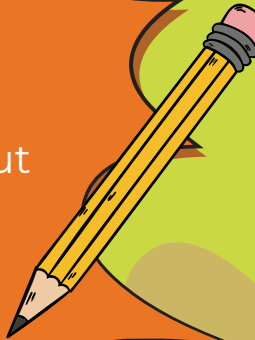
TO COOK OR EAT OUT?

Here is an experiment to understand the price difference between eating at home and outside. It's time to make a sandwich.

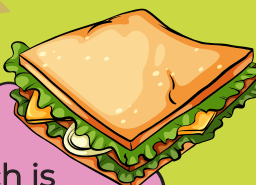
- | | |
|--|-------|
| Two slices of bread | _____ |
| One slice of cheese | _____ |
| Four cucumber slices (1/3rd of a cucumber) | _____ |
| One spoon of butter | _____ |
| Two tomato slices | _____ |

TOTAL

The first step to good financial management is awareness. Can you find out the current cost of the following items from the market?



Cost of buying a sandwich is



ECONOMICS AND DECISION MAKING

In the 18th Century, an economic theory was introduced. This was called *rational choice theory*. This stated that people make decisions basis their needs, rationally. For example, if someone identifies buying a car as their need, they will save for it single-mindedly and buy it.

Soon, economists realised that people are more complicated. We make impulsive purchases. Humans are emotional and easily distracted beings. Our decisions are based on emotional behaviour rather than rational choices. In the 1980s, a new theory called *behavioural economics* was introduced. It stated that psychology plays a very important role in making decisions such as why we buy and what we buy.

Let's begin with a quick note. Economics is a subject studied by much older humans and Mysticals. But it is definitely something that impacts all of us every day. And we are never too young to learn the basics of economics. Ask a million questions if you need to!

Economics is the study of how things are made, moved around, and used. If we were to take the example of a pencil, economics is the study of how many raw materials are used to make this pencil, what does it cost, what happens after it is made, how many shops does it go to, how and why do you pick up that particular pencil over others, and how much do you pay. Whew! When we say it is the study of everything, we mean it! Economics looks at how people, businesses, governments, and countries choose to use their resources.

BUY NOW
50%

Black
FRIDAY
Sale

Let's put this theory to test. There is a new drone in town that you absolutely love. You saved up to buy this drone for three months. Finally, you walk in to the store to pick up the drone you had in mind. But even before you walk in to the store, you are greeted with huge banners that say

END OF SEASON SALE!
50% OFF! BUY ONE GET ONE FREE!

These are all messages that are thrown at you from every shelf. They are designed to convince us to act in the way they need. There is a very high chance that we will walk out having bought something entirely different from what we intended to buy.

Behavioural economics takes into account our emotions and constantly evolving wants. After all, we are people and Mysticals with a heart.



Should we avoid impulsive purchases?



No! While we do not have to avoid impulsive purchases, we need to be aware buyers. This means we are in control of our actions. So, if we choose to spend our savings on a new bike instead of the drone that we had saved up for, we need to realise that our choice is in favour of a bike. But we cannot have both. And when we are looking at a shiny bike, it will be good to evaluate the decision using the mind and not just the heart.



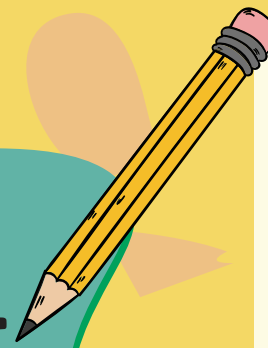
Do I really need a new bike? Why?



If I buy this bike, I cannot buy the drone. Is that okay?

Here is a scenario where impulsive purchases need to be avoided. Let's assume that the money you saved was to buy essentials, such as grocery. Without this grocery, people at home will not have food to eat. But the moment you walk into the store, that shiny bike catches your attention. This is when asking questions to evaluate your decision will help. Is it okay to spend the money on a bike instead of groceries? The answer is NO!

THE CAUTIOUS CONSUMER TEST



Being a cautious consumer is hard for some people, even adults. This leads them down the path of bad financial planning and they are forced to borrow money. Let's do a quick exercise. Speak with your parents or guardians about their latest impulsive purchase. This can be as big as expensive jewellery or a plate of fried momos that looked so tasty! Evaluate the decision with them to understand if it came in the way of buying something essential or was it okay to spend that money. Do the same exercise by yourself too. Think about the latest impulsive purchase you made. Could the money have been put to better use?

Impulsive purchase

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Evaluating the purchase decision

--

Impulsive purchase

--

Evaluating the purchase decision

--

Impulsive purchase

--

Evaluating the purchase decision

--

HIDDEN COSTS

Going from one place to another is easy, isn't it? You can sit in your car and get dropped wherever you want. Or hire a taxi service via an app. There is always the trusted autowallah. But each purchase decision has a cost and many hidden costs. To be truly financially literate, we need to develop the ability to understand and evaluate these hidden costs before making decisions.

Broadly, the hidden costs are of two types:

Maintenance Expenses:

Some products, like electronics or appliances, may come with hidden costs related to maintenance or repairs over time.

Consumable Costs:

Certain purchases, such as printers, might have ongoing consumable expenses like ink cartridges or replacement blades. Most of us forget to consider these costs. The cost of batteries to be used in a toy often ends up being more expensive than the toy itself. These recurring costs can add up significantly.

OWNING A CAR

Let's break down the hidden costs of owning a car. While the brand of the car is important, it is equally if not more important to understand how much you have to spend each month to maintain your transportation needs. Let's break down the monthly cost of owning a car:

Fuel: ₹10,000*

A car can run on petrol, diesel, CNG (compressed natural gas), or electricity. Price of each fuel is different. Some cars use more fuel than others.

*Depends on usage. This is the average spend by Indian households that own a car. India currently is the third largest consumer of crude oil used for transportation behind the US and China.



Find out the cost of petrol per litre:

Maintenance: ₹1,000-₹2,000

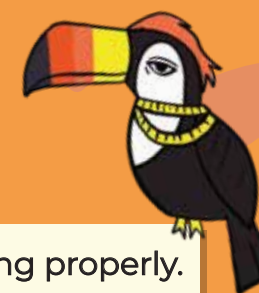
A car needs appropriate maintenance to ensure it doesn't break down and all parts are working properly.

Cleaning: ₹500-₹1,000

This is the cost of washing and cleaning your car regularly.

Insurance: ₹2,200-₹5,000

Insurance is protection of things you own. It pays to fix or replace your things if they get broken or something happens to them. If someone steals or damages your car, insurance might help you buy a new one. But in return, you have to pay a fixed amount of money to the insurance provider every year. This is called a premium.



Note: While these are the main costs, there are few more such as car loan and depreciation. These are a bit more complicated. But if you are a curious cat, ask questions. The adults around you will answer. If they don't, write to us at help@mysticlandinschool.com. We will answer all your questions.



PUBLIC TRANSPORT

If we were to travel the same distance using public transport, our cost would come down by a lot. Many countries in the world do not have a good public transportation network. India is one of the more developed nations in transportation infrastructure. In fact, the country is set to spend a lot of money in making public transportation better and easier to use for all. The government is looking at spending close to Rs 2.4 lakh crore in railways and Rs 2.7 lakh crore in roads. It is also focusing on building new airports, heliports, and improve air connectivity.

But what does this mean for me? Why is it important?



In reality, public transportation is very convenient. Imagine if you could take a train, metro, or a monorail to get to a location without getting stuck in traffic. Alternatively, you could take a clean and well maintained bus that can take you directly to your destination at a fraction of the cost you would otherwise spend by car. The extra money that is being spent on public transport is not only to introduce new routes and improve connectivity in the country, but also maintain the stations well. When more people choose public transportation, we also save the environment from unnecessary pollution. We become conscious consumers.

FELIX IS A CONSCIOUS CONSUMER



Let's calculate the cost of going from home to school and back for a month.

School bus fee:
(Find out from your school if you do not take the bus)



Auto/Taxi:
(Ask your guardians for help)



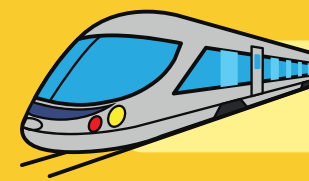
CAR

Distance (in kilometres) between home and school:

Cost of petrol per kilometre:

Cost per day (cost of petrol per km x distance in km):

Cost per month (cost per day x 22 school days):



Public bus/train:
(Ask your guardians for help)

ALL ABOUT SAVINGS

From our income, we spend some money on necessities and some money to live a good life. Savings refers to the money that is left over after all expenses. When we take a part of our earning and put it away for later use instead of spending it now, it is called savings.

But I have no money left by the end of the month to save. What do I do?

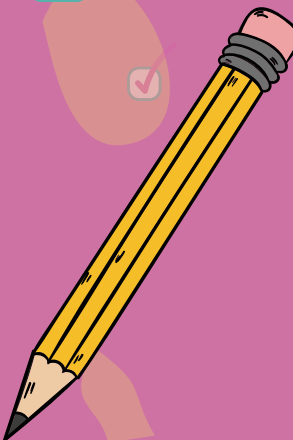
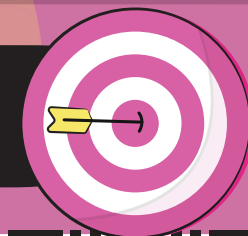


Why should we save before we spend?

Taking control of our finances is very important. Life is uncertain and financial security can go a long way towards helping us during difficult times. During COVID, over one crore people lost their jobs in India alone. Over 55% of people took home lower salaries than before. A lot of people were hospitalised and needed to pay their bills. If we don't save, we will not be able to survive uncertainties like these.

Our savings are not always for uncertainties and emergencies. They can also be for something we want to achieve in our life. Financial goals are also very important and give us a purpose to work towards something. Saving for college is a great financial goal. Maybe a trip that we want to take. Or a new car. To get started with prudent financial planning, we need to put down our goals. These goals will change as we age and our needs change.

Ask your parents what are their financial goals. What are they saving for? Put down their goals here.



We hear this quite often. And the best advice that I can give as MysticLord is to always prioritise savings over discretionary expenses. All expenses that are not needed to maintain our life are called discretionary expenses. So I always tell my Mysticals to set aside a portion of whatever money is left after spending for necessities as savings. They can use what is left after savings as discretionary expenses.

Saving money is also healthy. And we mean physically healthy. If you set yourself a savings goal, and reach it, you will feel a great sense of achievement. Scientific studies show that financial security has a positive impact on our physical, emotional, and mental well-being.

People with savings in the bank report feeling happier and less anxious. When you save before you spend you are therefore not only investing in your financial situation, but in your health as well.

SAVING VS INVESTING

If you have been diligent in your financial planning and have built a good corpus to take care of your rainy day fund, it is time to begin investing the extra money you have in hand. Investing is what you do with your money to make it grow. You can invest your money in the stock market, real estate or a series of other avenues.

If we invest INR 5,000 in the stock market today, it has the potential to become INR 40,000 in 20 years and INR 100,000 or more in 30 years! Investing is always for long term while saving can be for short term goals. No amount is too small to get started.

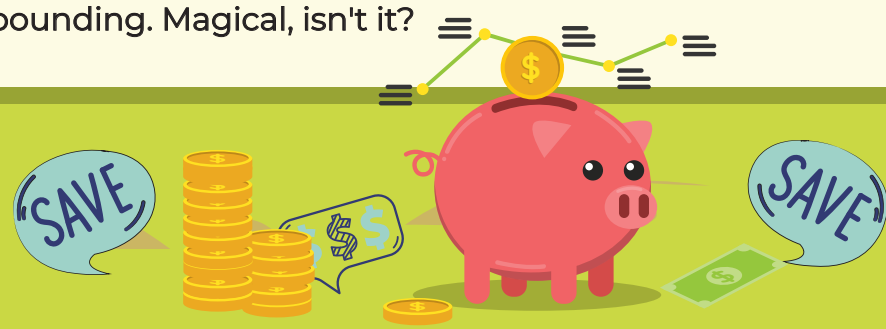
It is a misconception that only adults with jobs can invest. Everybody should invest their money so it grows over time. The money you earn from doing chores, as well as gift money, is your earnings. Talk to your parents and ask them to help you invest wisely.

Is it wise to save my money in a piggy bank?

The tale of Mozi vs Kiki is the most told story to all young Mysticals. They were both young MysticBeasts who earned money by doing various jobs. Kiki used to babysit young Mysticals while Mozi delivered the morning MysticPost newspapers. Both saved up 1,000 Mystos each at the end of the year. Mozi decided to save all of it in her trusted piggy bank that had a secret combination. While Kiki opened a bank account and deposited the 1,000 Mystos.

One more year passed and at the end of that year, Mozi's 1,000 Mystos were safe in her piggy bank while Kiki's 1,000 Mystos became 1,050! This is because banks reward us for saving money by giving us an interest. In MysticLand, the Ripae bank pays 5% interest. So Kiki's 1,000 Mystos became $1000 + (5\% \times 1000) = 1050$.

The next year, Mozi's 1,000 remained 1,000 Mystos while Kiki's 1,050 became $1050 + (5\% \times 1050) = 1102.5$. This is called compounding. Money grows when it is invested wisely. In 10 years, while Mozi's 1,000 remained 1,000 Mystos, Kiki's 1,000 became 1,629 Mystos! This is called the power of compounding. Magical, isn't it?



MONTHLY SPENDS ON ME

Let's find out all costs in the family expenses that pertain to you. Speak with your parents. Separate the costs into necessities and discretionary. Don't forget to thank your parents for making your life possible.

NECESSITIES

DISCRETIONARY

TOTAL

TOTAL