

## Make-up Assignment for Federal Budget Activity

Answer the questions for each section on a separate sheet of paper, using the “Federal Budget Textbook for Make-Up Assignment on the drop down menu.

Examine the list of typical monthly living expenses for a young adult (below). Then answer the following questions:

<b>Typical Monthly Expenses for a Young Adult</b>
housing (rent and utilities)
health insurance
cable television: basic service, premium channels
Internet
cell phone: basic service, fees for calls and text messaging
clothing
groceries
restaurants and takeout
transportation
education
entertainment

- Are all of these expenses absolutely necessary? Why or why not?
- If your monthly income did not cover all of these expenses, you would have certain options, such as borrowing money, working more, or eliminating expenses. What are the benefits and consequences of these options?
- If you chose to eliminate expenses, how would you decide which expenses to keep and which to eliminate?
- How might these personal budget challenges be similar to and different from those of the federal government?

Read Section 2: Who Controls the Budget Process? Create a timeline for each time period in Section 2. On the timeline, identify which branch or branches of government controlled the federal budget process. Now explain how the budget process worked during each time period.

Based on your reading and the timeline you completed, answer this question: In what ways might these historical changes have contributed to the growth of the national debt?

Read Section 3: The Federal Budget Cycle and answer this question: Briefly describe what happens in each phase of the budget process.

Read Section 4 and answer these questions:

Name and briefly describe the main sources of federal revenue.

What is the difference between a progressive tax and a regressive tax? Why do you think the government uses both types of taxes to raise revenue?

Summarize the differences between mandatory and discretionary spending by briefly describing each type of spending, and by providing examples.

Read Section 5 Funding State and Local Government and answer these questions:

Compare the state and local budget process with the federal budget process by writing three paragraphs.

In the first paragraph, identify characteristics unique to the state and local budget process.

In the second paragraph, identify characteristics unique to the federal budget process.

In the final paragraph, identify characteristics that are shared by both.