

MoneyAndStuff.info Budgeting Lesson Plan

Grade Level: 3-5

Time Duration: 1 hour/class period

<p>Overview & Purpose: This activity is designed to help students develop the attitudes and skills needed to achieve personal financial success. They will learn the implications of sound financial decision-making and how to create and manage a budget that includes a savings component.</p>	<p>Ohio Education Standards Addressed:</p> <ol style="list-style-type: none"> 1. Estimate, compute and solve problems involving real numbers, including ratio, proportion and percent, and explain solutions. 2. Write and solve real-world, multi-step problems involving money, and verify reasonableness of solutions. 3. Locate and interpret mathematical information accurately, and communicate ideas, processes and solutions in a complete and easily understood manner.
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Teacher Guide		
<p>Objectives: (Skills and information that will be learned.)</p>	<p>Students will:</p> <ol style="list-style-type: none"> 1. Identify expenses and sources of income (e.g. earnings, gifts). 2. Develop a budget that has spending, savings, and charitable goals. 3. Describe decision-making steps that lead to meeting and distinguishing between financial needs and wants. 	<p>Vocabulary:</p> <ol style="list-style-type: none"> 1. Budget 2. Income 3. Expenses 4. Goal
<p>Information:</p>	<p>Needs are the very basic things that people must have to survive. Wants are the things that make life more interesting and fun. In other words, you could live without them if you had to. For example, you need food to eat, but you want to eat out with your friends rather than at home. You need a place to live, but you want a TV in your room. You need some clothes to wear, but you want those designer jeans. A budget is a savings plan or a record of actual and estimated income and expenses over a set period of time. Estimated income is money that you anticipate earning or receiving for chore completion or special occasions. Budgets contain financial goals. Some goals are short-term or long-term while others can be intermediate goals.</p> <p>Examples of Savings Goals:</p> <p>Short-term – Saving \$10 by the 16th of next month to buy grandma a birthday gift. Intermediate-term – Save \$3 a week for the next three months to buy a new video game. Long-term – Save \$4 per week for the next six months to buy a new bike.</p>	
<p>Activities and Procedures:</p>	<ol style="list-style-type: none"> 1. Have students determine the monthly total of their allowance. 2. Ask students to add their birthday money and other money totals together to get their spending total before making a savings deposit. 3. Examine the savings component and discuss the importance of saving for future goals and activities. Have students subtract their savings total from the subtotal above to learn the amount of money they have to spend during the activity. Students should 	<p>Materials Needed:</p> <ol style="list-style-type: none"> 1. Budget Activity Sheets labeled A thru F. 2. Monthly Budget for Kids worksheet.

	<p>put the final dollar amount on the Money to Spend line.</p> <p>5. Based upon their needs and wants, students should circle items on the handout and total up the dollar amount spent. They cannot spend more than the dollar amount discussed above.</p> <p>6. With a partner(s) or the entire class, have students share the following: amount of money they had to spend, how they made their spending choices, and the dollar amount that they had left (if any).</p> <p>7. Explain to students that the remaining spending money they have would rollover to the next month and be listed as "other money", if they were to repeat the activity again.</p>	
Conclusion:	<p>Reiterate the importance of planning for the future, i.e. savings, and the ability to effectively manage money, i.e. budget. Ask students to determine how much money they would have in savings in 6 months, 12 months, and 18 months.</p> <p>Homework Option One – Distribute the Monthly Budget for Kids worksheet and ask students to complete it based upon their own allowance and gifts.</p> <p>Homework Option Two - Have students write a paragraph about making a charitable donation to an organization of their choice. They should review their budget and determine a dollar amount that they would like to donate. Students should explain how they determined the dollar amount to donate and the organization they wish to support.</p>	
Activity Variations:	<ol style="list-style-type: none"> 1. Have students work in groups, A thru F, to make spending decisions and write up their answers to the questions in step six above. Afterwards, each group should present their information to the entire class. 2. Have students work independently on their spending decisions and share their choices with their classmates that have the same budgeting activity sheet. 3. Select one of the budgeting activity sheets labeled A thru F and complete the activity as a group. 	<p>Extra Credit:</p> <p>Have students turn their budget into a graph, such as pie chart and bar graph that illustrates the following: monthly allowance, savings goal, spending allowance, and a charitable contribution. Students can use the information on the budgeting activity sheets or their personal allowance amounts to complete the graph.</p>

Budgeting Activity Key

A Money

Allowance - \$5.00 a week ($\$5.00 \times 4 = \20.00 per month.)

Birthday Money - \$20.00

Other Money - \$4.50

Subtotal \$44.50

Place 20% in Savings - \$8.90

Money to Spend \$35.60

B Money

Allowance - \$7.50 a week ($\$7.50 \times 4 = \30.00 per month.)

Birthday Money - \$20.00

Other Money - \$5.00

Subtotal \$55.00

Place 20% in Savings - \$11.00

Money to Spend \$44.00

C Money

Allowance - \$8.00 a week ($\$8.00 \times 4 = \32.00 per month.)

Birthday Money - \$25.00

Other Money - \$7.50

Subtotal \$64.50

Place 20% in Savings - \$12.90

Money to Spend \$51.60

D Money

Allowance - \$6.00 a week ($\$6.00 \times 4 = \24.00 per month.)

Birthday Money - \$30.00

Other Money - \$7.50

Subtotal \$61.50

Place 20% in Savings - \$12.30

Money to Spend \$49.20

E Money

Allowance - \$9.00 a week ($\$9.00 \times 4 = \36.00 per month.)

Birthday Money - \$40.00

Other Money - \$12.50

Subtotal \$88.50

Place 20% in Savings - \$17.70

Money to Spend \$70.80

F Money

Allowance - \$4.50 a week ($\$4.50 \times 4 = \18.00 per month.)

Birthday Money - \$40.00

Other Money - \$12.50

Subtotal \$70.50

Place 20% in Savings - \$14.10

Money to Spend \$56.40

A

Money

Allowance - \$5.00 a week ($\$5.00 \times 4 =$ _____ per month.)

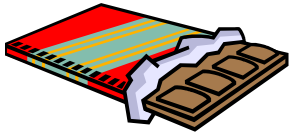
Birthday Money - \$20.00

Other Money - \$4.50

Subtotal \$ _____

Place 20% in Savings - \$8.90

Money to Spend \$ _____



Candy
.50



CD
\$11.99

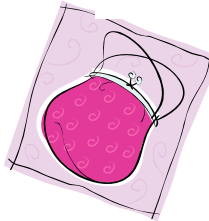


Video
Game \$27.99
Wireless Control \$39.99

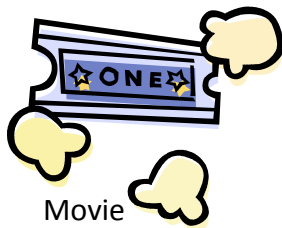


Clothes
Jeans \$39.99
T-shirt \$9.99

Purse
\$9.99



PSP \$169.99
Nintendo DS \$129



Movie
\$6.00
Popcorn Package
\$5.50



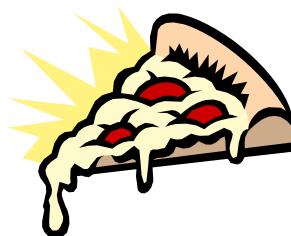
Chips
\$1.29



iTunes
\$9.99
10 songs



Bike
\$89.99



Pizza
Large \$11.99
Medium \$8.99
Small \$5.99

B

Money

Allowance - \$7.50 a week ($\$7.50 \times 4 =$ _____ per month.)

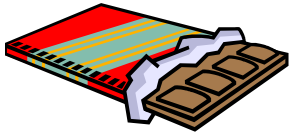
Birthday Money - \$20.00

Other Money - \$5.00

Subtotal \$ _____

Place 20% in Savings - \$11.00

Money to Spend \$ _____



Candy
.50



CD
\$11.99

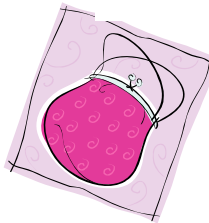


Video
Game \$27.99
Wireless Control \$39.99

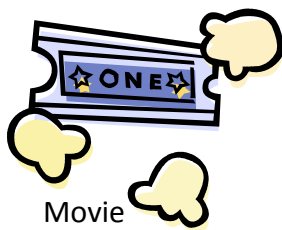


Clothes
Jeans \$39.99
T-shirt \$9.99

Purse
\$9.99



PSP \$169.99
Nintendo DS \$129



Movie
\$6.00
Popcorn Package
\$5.50



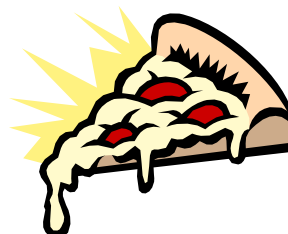
Chips
\$1.29



iTunes
\$9.99
10 songs



Bike
\$89.99



Pizza
Large \$11.99
Medium \$8.99
Small \$5.99

C

Money

Allowance - \$8.00 a week ($\$8.00 \times 4 =$ _____ per month.)

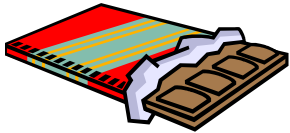
Birthday Money - \$25.00

Other Money - \$7.50

Subtotal \$ _____

Place 20% in Savings - \$12.90

Money to Spend \$ _____



Candy
.50



CD
\$11.99

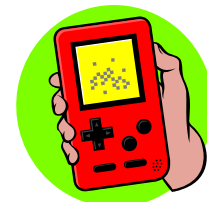
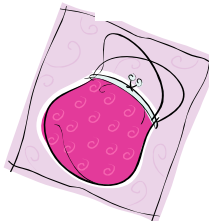


Video
Game \$27.99
Wireless Control \$39.99

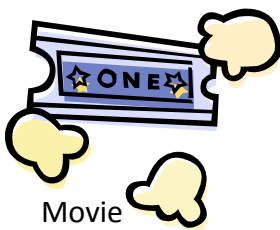


Clothes
Jeans \$39.99
T-shirt \$9.99

Purse
\$9.99



PSP \$169.99
Nintendo DS \$129



Movie
\$6.00
Popcorn Package
\$5.50



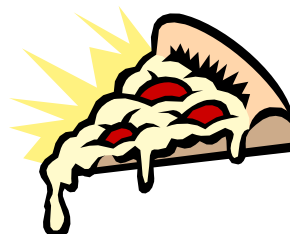
Chips
\$1.29



iTunes
\$9.99
10 songs



Bike
\$89.99



Pizza
Large \$11.99
Medium \$8.99
Small \$5.99

D

Money

Allowance - \$6.00 a week (\$6.00 x 4 = _____ per month.)

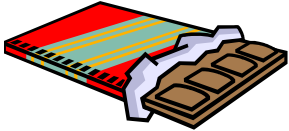
Birthday Money - \$30.00

Other Money - \$7.50

Subtotal \$ _____

Place 20% in Savings - \$12.30

Money to Spend \$ _____



Candy
.50



CD
\$11.99

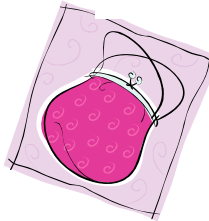


Video
Game \$27.99
Wireless Control \$39.99

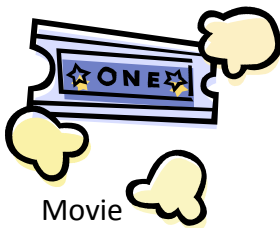


Clothes
Jeans \$39.99
T-shirt \$9.99

Purse
\$9.99



PSP \$169.99
Nintendo DS \$129



Movie
\$6.00
Popcorn Package
\$5.50



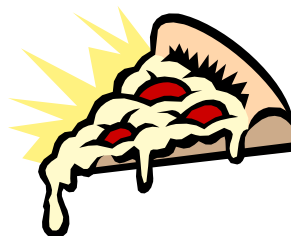
Chips
\$1.29



iTunes
\$9.99
10 songs



Bike
\$89.99



Pizza
Large \$11.99
Medium \$8.99
Small \$5.99

E

Money

Allowance - \$9.00 a week ($\$9.00 \times 4 =$ _____ per month.)

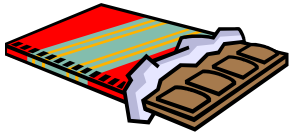
Birthday Money - \$40.00

Other Money - \$12.50

Subtotal \$ _____

Place 20% in Savings - \$17.70

Money to Spend \$ _____



Candy
.50



CD
\$11.99

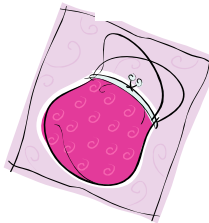


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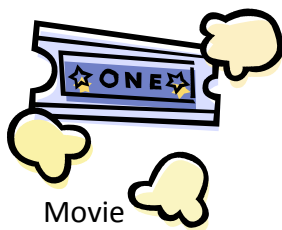


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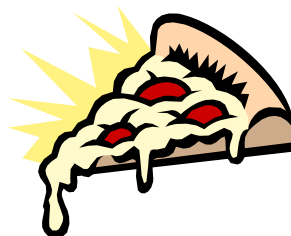
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Pizza
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Medium \$8.99
Small \$5.99

F

Money

Allowance - \$4.50 a week ($\$4.50 \times 4 =$ _____ per month.)

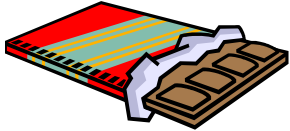
Birthday Money - \$40.00

Other Money - \$12.50

Subtotal \$ _____

Place 20% in Savings - \$14.10

Money to Spend \$ _____



Candy
.50



CD
\$11.99

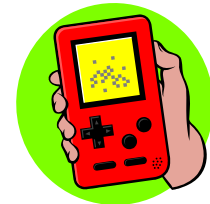
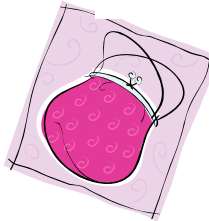


Video
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Wireless Control \$39.99

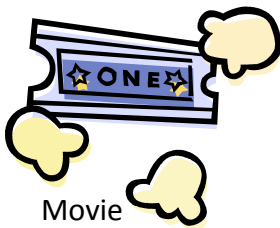


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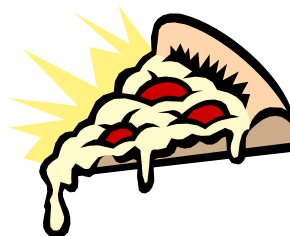
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