

Title: Budgeting 101 Lesson Plan (3 day plan)

Grade Level: 9+

Content Knowledge: Skill: Budgeting for life  
Content: what goes into a budget and why

Rationale: Knowing how to budget one's money allows one more freedom and less financial stress. Knowing what we can easily afford versus what is going to create debt important so that we can live comfortably within our means.

Standards:

Michigan Standards for Personal Finance:

4.1.2 Buying Goods And Services – describe the factors that consumers may consider when purchasing a good or service, including the costs, benefits, and the role of government in obtaining the information.

Goal: Students will be able to create a complete and realistic monthly budget based on (a)their projected earnings and (b)on their desired goods/services.

Essential Question: How do I create a realistic budget?

Objectives:

1. Using *MoneyMarci's Guide to Financial Literacy* as a guide, students will be able to create a completed and realistic monthly budget based on (a) their projected earnings and (b) on their desired goods/services.

Formative Assessment:

1. Students will share their budget with a partner to decide on “realistic” and whether it is complete
2. Teacher will collect budget and assess based on whether all parts of a budget (e.g., housing, food, health, etc. listed in *MoneyMarci's* chapter 1) are included.

Procedures/Events of Instruction:

1. Attention Getter & Advanced Organizer (7 minutes)
  - a. Ask: “How many of you know what a budget is? Raise your hand.”
  - b. Ask: “What goes into a budget?” (Answers should include responses like housing, food (groceries/restaurants), transportation, health care, entertainment, utilities, etc. Teacher will write these on the board as they are suggested.
  - c. State objective: Using *MoneyMarci's* as a guide, students will be able to create a complete and realistic monthly budget based on (a)their projected earnings and (b)on their desired goods/services.
  - d. Provide rationale: Knowing how to budget one's money allows one more freedom and less financial stress. Knowing what we can easily afford versus what is going to create debt important so that we can live comfortably within our means.
2. Stimulate recall of prior knowledge.
  - a. If student have already read chapter 1 in *Money Marci's* book, ask students to review main ideas such as types of monthly expenses. (6 minutes) Teacher will add any additional aspects of the budget to the list on the board

- b. If students have not already read chapter 1, have them read the chapter in pairs. Ask students to stop every three to four paragraphs to write a one sentence summary. (Approximately 8-10 minutes; then review main ideas stated in 2.a.)
3. Presentation of Content/Student involvement
  - a. Teacher will share *MoneyMarci's* budget spreadsheet with the students. This is available electronically or may be printed off.
  - b. Students will be put into groups of three to research costs of housing, insurance, etc. to make the spreadsheet realistic. (Continues until the end of Day 1; **Exit ticket Day 1:** teacher checks that students have many categories filled out via research).
  - c. **Day 2:** Finish research. Students will individually fill out all applicable categories\* based on their "Projected Career Worksheet" that was completed previously. (**Exit ticket Day 2:** collected budget)

\*Teachers can use the spreadsheet as is or can edit categories if desired.

4. Practice & Feedback
  - a. **Day 3.** When all budgets are complete, teacher will mix groups so that no partners are in the same groups. Students will then present their budgets to two other students. The "listening" students will critique the budget as realistic, thorough, and provide feedback. Every student will provide written feedback in three categories: "Loved this!" "Think about this" and "Just so you know" for each of the two budgets that they listen to. All feedback will be handed in to the teacher as the exit ticket. (See worksheet). (30 minutes)
5. Review/Closure(6 minutes)
  - a. Teacher will ask students summative questions about their budgets like, "What was the hardest part in creating a budget?" and "What feedback did you receive that made you stop to think about your budget?"
  - b. Teacher will then ask students write down two things they learned about budgeting that they want to take with them into the "adult" world. They can first share with a partner and then share with the class
  - c. Teacher can summarize budgeting: By thinking about the money you have to spend and how you will spend it, you can make sure you have money for what you need like housing, food, and clothing AND you can know what the limits are for entertainment, too. Obviously, if you choose a more expensive place to live, that means less money in your budget for other things. It's all about priorities and balancing needs, wants, and available monies.
6. Preview of Next Lesson(3 minutes)

Now that you know how to budget, we are going to begin looking at debt (Chapter 3). We'll be discussing what it is, why people go into debt, and why you want to avoid it. You'll see that your budgets play a big part of avoiding debt.

Materials and Aids: *Money Marci's Guide*, Budget worksheet from Money Marci's website, Feedback Handout, Projected Career Worksheet (already filled out)

Adaptations: Depending on the level and ability of students, the budget worksheet from *MoneyMarci's* website is completely editable. Lower achieving students could have fewer categories or the research

could be done as a full class. Also, grouping could be by level; lower achieving student groups could work more closely with the teacher.

Enrichments: Higher achieving students could work on their own, could have more specific foci (e.g., which city they want to live in and cost of living issues), and/or could add in more detailed categories (e.g., gas mileage, internet, wardrobe). Also, grouping could be achievement-level based so that higher achieving students challenge each others' ideas and push each other more.

Sample Lesson Plan from MoneyMarci.com

## **Budgeting Feedback**

Name of Listener

Name of Presenter #1

Loved this about your budget:

Might want to think about this in your budget:

Just so you know – I was also thinking about this:

Name of Presenter #2

Loved this about your budget:

Might want to think about this in your budget:

Just so you know – I was also thinking about this: