

<b>Lesson/Unit Title</b>	<b>Budgeting Your Financial Resources</b>
<b>Day(s)</b>	4
<b>Grade Levels</b>	10-12
<b>Curriculum Areas</b>	Economics and/or Personal Finance
<b>Website(s)</b>	<p style="text-align: center;"><b>U.S. Mint Lesson Plans</b></p> <p>Use the U.S. Mint website (<a href="http://www.themint.org">www.themint.org</a>) to introduce the definition of a budget and show students how a typical budget might look:  <a href="http://www.themint.org/teachers/budgeting_act1.php">www.themint.org/teachers/budgeting_act1.php</a>  Sample budget</p> <p><a href="http://www.themint.org/teachers/budgeting_act2.php">www.themint.org/teachers/budgeting_act2.php</a>  Starting Salaries</p> <p><a href="http://www.themint.org/earning/whereyourpaycheckgoes.php">/www.themint.org/earning/whereyourpaycheckgoes.php</a>  Where does your paycheck go? How much do you save from your paycheck?</p> <p><a href="http://www.themint.org/tryit/keepingamoneydiary.php">www.themint.org/tryit/keepingamoneydiary.php</a>  Keep a “money diary” to track your spending, saving, sources of income for budgeting purposes</p> <p><a href="http://www.themint.org/teachers/budgeting_act3.php">www.themint.org/teachers/budgeting_act3.php</a>  Living on your own, within a budget</p> <p><a href="http://www.themint.org/tryit/mintcalculator.php">www.themint.org/tryit/mintcalculator.php</a>  Mint Calculator—determine how long it will take you to save/budget for something you want to purchase!</p> <p><a href="http://www.themint.org/tryit/beamillionare.php">www.themint.org/tryit/beamillionare.php</a>  How long will it take for you to become a millionaire?</p> <p><a href="http://www.ntrbonline.org/english/index.html">www.ntrbonline.org/english/index.html</a>  “Fast Financial Facts” on budgeting, financial planning, etc. Great website!</p> <p><a href="http://www.ntrbonline.org/archive/college17.html">www.ntrbonline.org/archive/college17.html</a>  Are you ready to live on your own? Take the online quiz!</p> <p style="text-align: center;"><b>Merrill Lynch Lesson Plans</b></p> <p><a href="http://philanthropy.ml.com/ipo/volunteer/pdf/level3strategy2.pdf">http://philanthropy.ml.com/ipo/volunteer/pdf/level3strategy2.pdf</a> Merrill Lynch “<i>Putting Something Aside Through Budgeting</i>” website with worksheets &amp; curriculum as follows:  <b>Thinking Ahead: Developing a Financial Plan</b>--15 strategy worksheet for financial planning by Merrill Lynch:  <i>Strategy 1:</i> Developing a Financial Plan  <i>Strategy 2:</i> <b>Budgeting</b>  <i>Strategy 3:</i> Risk, Reward and Return  <i>Strategy 4:</i> You, Your Job and Your Career  <i>Strategy 5:</i> Where’s the Money? Financial Opportunities</p>

	<p><i>Strategy 6:</i> Investment Options  <i>Strategy 7:</i> Take-Home Pay, Benefits and Taxes  <i>Strategy 8:</i> Saving for Education  <i>Strategy 9:</i> The Future Value of Money  <i>Strategy 10:</i> All You Need to Know About Credit  <i>Strategy 11:</i> Homeownership  <i>Strategy 12:</i> Economic Factors that Drive Investments  <i>Strategy 13:</i> The Benefits of Philanthropy  <i>Strategy 14:</i> International Currencies  <i>Strategy 15:</i> Leadership: Taking Charge Of Your Life</p> <p><b>Free online EXCEL Budget Planner with Instructions</b>  <a href="http://planabudget.com/budget_index.htm">http://planabudget.com/budget_index.htm</a></p> <p><a href="http://www.americasaves.org/back_page/money2020/index.html">www.americasaves.org/back_page/money2020/index.html</a>  Interactive Budget Calculator</p>
<b>Teacher Resources</b>	<ul style="list-style-type: none"> <li>• <i>Learning, Earning, and Investing</i>, NCEE (National Council on Economic Education.) 2004© ISBN: 1-561983-570-2. Refer to Theme 3: “Financial Planning,” Lesson 15: “Why Don’t People Save?” This lesson includes games, mathematics and applications.</li> <li>• Computer lab with internet access</li> </ul>
<b>Unit Overview</b>	<p>Students will use worksheets, online resources and classroom discussion to learn more about and create a budget of their own.</p> <p style="text-align: center;"><b>Daily Lesson Overview</b></p> <p><b>Day 1:</b> Introduce budgets  <b>Bellringer:</b> “<i>Are you ready to live on your own?</i>” Take the online quiz to find out!  <a href="http://www.ntrbonline.org/archive/college17.html">/www.ntrbonline.org/archive/college17.html</a></p> <p><b>Day 2:</b> Students will create a budget of their own.  <b>Day 3:</b> Students will create an online budget.  <b>Day 4:</b> Discuss the two budgets and compare/contrast differences, similarities</p>
<b>Nebraska Frameworks Essential Learnings</b>	<p><b>Business Administration</b>  <b>BE 12.3 Computation Essential Learning</b>  <i>Financial Management</i>—use mathematical procedures to prepare a budget, maintain financial records, reconcile bank statements and determine net worth.  <b>BE 12.4 Computer Applications Essential Learning</b>  Example Indicators: Application Software—use application software (word processing, spreadsheet)  <b>BE 12.5 Economics and Personal Finance Essential Learning</b>  <b>Personal Finance:</b>  Example Indicators: Budgeting and Financial Management—develop and evaluate a personal financial plan based on individual resources.</p>
<b>Link to Nebraska Standards</b>	<b>12.4.27</b> Students will discuss, develop, and implement a plan for making informed personal economic decisions.

<p><b>NBEA Curriculum Standards</b></p>	<p><b>Economics &amp; Personal Finance</b>  <b>Personal Finance:</b>  <i>Personal Decision Making</i>—Use a rational decision-making process as it applies to the roles of citizens, workers, and consumers.  <i>Managing Finances and Budgeting</i>—Develop and evaluate a spending/savings plan.  <i>Buying Goods and Services</i>—Apply a decision-making model to maximize consumer satisfaction when buying goods and services.  <b>Computation:</b>  Standard I. <i>Mathematical Foundations</i>—Apply basic mathematical operations to solve problems.</p>
<p><b>National Economics Standards</b></p>	<p><b>Standard 1: Scarcity</b>  Productive resources are limited. Therefore, people can not have all the goods and services they want; as a result, they must choose some things and give up others.  <b>Standard 2: Marginal Cost/Benefit</b>  Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are “all or nothing” decisions.  <b>Standard 8: Role of Price in Market System</b>  Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.</p>
<p><b>National Personal Finance Standards</b></p>	<p><b>Standard 1:</b> Income  <b>Standard 2:</b> Money Management  <b>Standard 4:</b> Saving and Investing</p>
<p><b>Nebraska Math Standards</b></p>	<p><b>12.2.3</b> By the end of 12<sup>th</sup> grade, students will perform estimations and computations of real numbers mentally, with paper and pencil, and with technology.</p>
<p><b>Teaching Strategies, Procedures and Activities</b></p>	<p><b>Day 1</b> Introduce budgets to students. What are they and why are they important?  <b>Step 1:</b> Have students use U.S. Mint website to view sample budget. <a href="http://www.themint.org/teachers/budgeting_act1.php">www.themint.org/teachers/budgeting_act1.php</a>  <b>Step 2:</b> Discuss terminology involved with budgets, include definitions of income, fixed and variable expenses.</p> <p><b>Day 2</b> Students will create a sample budget of their own.  <b>Step 1:</b> Students use Merrill Lynch budgeting website: <a href="http://philanthropy.ml.com/ipo/volunteer/pdf/level3strategy2.pdf">http://philanthropy.ml.com/ipo/volunteer/pdf/level3strategy2.pdf</a>  <b>Step 2:</b> Students will print off the personal income statement worksheet to see an actual budget. Teacher will give them a monthly income to use. Use net wages only to figure income.  <b>Step 3:</b> Students will also be given amounts for expenses. Students will be in groups of 2-3 to come up with different amounts from budgets.</p>

	<p><b>Step 4:</b> Discuss together how students came up with the answers for the budget. Who ended up with more, less, etc. How could their results have turned out different?</p> <p><b>Step 5:</b> Use Excel to input their personal income statements into the computer. Use formulas to figure amounts. Compare results with the paper copy.</p> <p>.</p> <p><b>Day 3</b> Students will use online budget forms.</p> <p><b>Step 1:</b> U.S. Mint “Where Your Paycheck Goes” budget site: <a href="http://www.themint.org/earning/whereyourpaycheckgoes.php">http://www.themint.org/earning/whereyourpaycheckgoes.php</a></p> <p><b>Step 2:</b> Students will choose a career from the pre-created list to find out their annual income.</p> <p><b>Step 3:</b> Students will also learn about automatic deductions that show how their income will change.</p> <p><b>Step 4:</b> Students will then fill in the amount they wish to save. Website gives students choices about where to spend their money. It figures everything and shows students what they will have left (if anything) at the end of the month.</p> <p><b>Day 4</b> Students examine budgets from Days 2 &amp; 3 and discuss importance of decisions and how they could change.</p> <p><b>Step 1:</b> Compare the two budgets. What were the biggest differences between the two?</p> <p><b>Step 2:</b> Discuss some different options: why is important to budget? Is it more important to budget with less income or more income?</p> <p><b>Step 3:</b> Discussion focuses on different career choices, particularly how careers affect income and, therefore, budgeting!</p>												
<b>Assignments</b>	<p><b>Assignment 1:</b> Use Excel to put their group budgets onto the computer. Use formulas in Excel to figure amounts. Compare with paper copy to make sure of accuracy.</p> <p><b>Assignment 2:</b> Students journal/write reactions to their budgeting assignments. Part of the assignment would be to talk to an adult about budgeting. Do they use budgets? How effective are budgets, etc.</p>												
<b>Assessment</b>	<p>Students will be assessed in the following areas:</p> <table border="1" data-bbox="670 1507 1416 1818"> <thead> <tr> <th data-bbox="670 1507 1295 1541"><b>Lesson/Unit Evaluation Criteria</b></th> <th data-bbox="1295 1507 1416 1541"><b>Points</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="670 1541 1295 1575">Involvement in group activity</td> <td data-bbox="1295 1541 1416 1575">0 – 20</td> </tr> <tr> <td data-bbox="670 1575 1295 1644">Excel and paper copy of personal income statements</td> <td data-bbox="1295 1575 1416 1644">0 – 30</td> </tr> <tr> <td data-bbox="670 1644 1295 1680">Written reaction to the budgets (see rubric)</td> <td data-bbox="1295 1644 1416 1680">0 – 40</td> </tr> <tr> <td data-bbox="670 1680 1295 1749">Computer work (staying on task, trying different incomes, etc)</td> <td data-bbox="1295 1680 1416 1749">0 – 10</td> </tr> <tr> <td data-bbox="670 1749 1295 1782"><b>Unit Possible Points</b></td> <td data-bbox="1295 1749 1416 1782"><b>100</b></td> </tr> </tbody> </table>	<b>Lesson/Unit Evaluation Criteria</b>	<b>Points</b>	Involvement in group activity	0 – 20	Excel and paper copy of personal income statements	0 – 30	Written reaction to the budgets (see rubric)	0 – 40	Computer work (staying on task, trying different incomes, etc)	0 – 10	<b>Unit Possible Points</b>	<b>100</b>
<b>Lesson/Unit Evaluation Criteria</b>	<b>Points</b>												
Involvement in group activity	0 – 20												
Excel and paper copy of personal income statements	0 – 30												
Written reaction to the budgets (see rubric)	0 – 40												
Computer work (staying on task, trying different incomes, etc)	0 – 10												
<b>Unit Possible Points</b>	<b>100</b>												
<b>Teacher</b>	Diana Davis												
<b>School</b>	Wayne High School												

# Your Budget!

Create a budget for yourself for the next week. Remember to record all the income you will be receiving. Make a list of your expenditures, prioritizing your needs and wants.

Income	\$	Expenditures	\$
<b>Totals</b>			

Does your spending actually balance with your income? If not where will you get the extra money from?

Perhaps you will have some money left over, what could you do with it?

Discuss some ways you could increase your income. How do you think you would use this money to balance your budget?

## Budget - Fixed and Variable Expenses

A good way to make sure you have enough money to spend and save is to use a **budget**. A budget helps you make sure your **income** matches your **expenses**. A budget also helps you with **saving** money. Each month, you may receive income from the job you have, and interest from the money you save. Also each month you will have expenses. There are two main types of **expenses**, fixed expenses and variable expenses. **Fixed expenses** tend to be about the same each month, for example rent. **Variable expenses** tend to fluctuate each month, such as clothing.



One good way to create a budget is to track your income and expenses for one month, by keeping track of each type of expense and if that expense is a fixed expense or variable expense. For the month, Paige earned \$489 and tracked expenses for the month to help create a monthly budget. **Fill out the table below** using the expenses Paige tracked. **Then total fixed and variable expenses and calculate total expenses. Was income greater than or less than expenses for the month?**

**Expenses:** Food shopping \$61, Gas bill \$40, Income tax \$198, Music CDs \$24, Going to a show \$20, New coat \$32, Rent for an apartment \$112, Donations \$14

Category	Fixed	Variable
<b>EXPENSES:</b>		
Taxes		
Rent/Mortgage		
Utilities		
Groceries/Food		
Clothing		
Shopping		
Entertainment		
Miscellaneous/Other		
<b>EXPENSES SUBTOTAL</b>		
<b>TOTAL EXPENSES (Fixed + Variable)</b>		

### ANSWERS

Category	Fixed	Variable
<b>EXPENSES:</b>		
Taxes	\$198	
Rent/Mortgage	\$112	
Utilities	\$40	
Groceries/Food	\$61	
Clothing		\$32
Shopping		\$24
Entertainment		\$20
Miscellaneous/Other		\$14
<b>EXPENSES SUBTOTAL</b>	\$411	\$90
<b>TOTAL EXPENSES (Fixed + Variable)</b>	\$501	

**Income - Expenses = \$489 - \$501 = (\$12)**



**Budget Template (Categories Listed)**

<b>Category</b>	<b>Budget Amount</b>	<b>Actual Amount</b>	<b>Difference</b>
<b>INCOME:</b>			
Wages/Income			
Interest Income			
<b>INCOME SUBTOTAL</b>			
<b>EXPENSES:</b>			
Taxes			
Rent/Mortgage			
Utilities			
Groceries/Food			
Clothing			
Shopping			
Entertainment			
Transportation			
Long-Term Savings			
Emergency Savings			
Donations			
Miscellaneous/Other			
<b>EXPENSES SUBTOTAL</b>			
<b>NET INCOME (Income - Expenses)</b>			



## Student's Written Reaction to Budgeting

Teacher Name:

Student Name:

CATEGORY	7-8	5-6	3-4	0-2
<b>Sentence Length (Sentence Fluency)</b>	Every paragraph has sentences that vary in length.	Almost all paragraphs have sentences that vary in length.	Some sentences vary in length.	Sentences rarely vary in length.
<b>Grammar &amp; Spelling (Conventions)</b>	Writer makes no errors in grammar or spelling that distract the reader from the content.	Writer makes 1-2 errors in grammar or spelling that distract the reader from the content.	Writer makes 3-4 errors in grammar or spelling that distract the reader from the content.	Writer makes more than 4 errors in grammar or spelling that distract the reader from the content.
<b>Sentence Structure (Sentence Fluency)</b>	All sentences are well-constructed with varied structure.	Most sentences are well-constructed with varied structure.	Most sentences are well-constructed but have a similar structure.	Sentences lack structure and appear incomplete or rambling.
<b>Focus on Topic (Content)</b>	There is one clear, well-focused topic. Main idea stands out and is supported by detailed information.	Main idea is clear but the supporting information is general.	Main idea is somewhat clear but there is a need for more supporting information.	The main idea is not clear. There is a seemingly random collection of information.
<b>Conclusion (Organization)</b>	The conclusion is strong and leaves the reader with a feeling that they understand what the writer is "getting at."	The conclusion is recognizable and ties up almost all the loose ends.	The conclusion is recognizable, but does not tie up several loose ends.	There is no clear conclusion, the paper just ends.
<b>TOTAL POINTS</b>				
<b>40</b>				