Group Handouts 73

Answer Key 96

Glossary with key vocabulary 105

Standards met by lesson 107

Topic: Personal Financial Choices

Time Required: 55 minutes   
*(excluding* **Extended Exploration***activities)*

Learning Objectives:   
*Students will be able to…*

* Create a balanced budget that   
  takes into consideration spending,   
  saving, and giving
* Analyze personal decision making   
  when crafting a budget

Supplies:

* Access to the Internet **(optional)**
* Loose-leaf paper for stations

Preparation:

* Make copies of student handout and group handouts
* Set up **Spend**, **Save**,and **Give** stations
* Set up individual or group computers with access to the Internet (**optional**)

Student Handout:  
*(found in* **Student Guide***)*

* ***Personal Budget***

group handouts:

* ***Spend*** (station set)
* ***Save*** (station set)
* ***Give*** (station set)

Essential Questions:

* *How should spending, saving, and giving be incorporated into a personal budget?*

Assessment Activities:

**Pre-Assessment:**

* **What Goes Into a Budget?** activity

**Post-Assessment:**

* ***Personal Budget*** handout
* **Personal Budget Explanation   
  Quick-Write** activity

Instruction Steps

Warm Up

What goes into a budget? [5 minutes]

If necessary, introduce students to the vocabulary term **budget** (“spending plan”). Ask students: *Your parent or caretaker is creating a family budget. He or she has remembered to include how much money the family makes (income) and how much money the family spends on food and bills (expenses)*. *What do you think is missing from your parent or caretaker’s budget?* Allow students to share answers. (Possible answers: spending on other things like mortgage or rent, clothing, entertainment; savings account(s); investing in stocks, bonds, or mutual funds; charitable giving in the form of monetary donations)

Guided Exploration

Spend, Save, or Give? – Personal Thinking Stations [20 minutes]

Set up the classroom in three stations, with group handouts at each station:

* Station 1: ***Spend***
* Station 2: ***Save***
* Station 3: ***Give***

(If you are concerned about the number of students at each station, the stations can be doubled to make two sets of stations, or six stations total.)   
  
Instruct students that, at each station, they will view a slide that asks them to think about how   
they relate to the station. As they move to each station, they should talk about their answers   
with their station peers and/or record answers on a sheet of loose-leaf paper. Allow students   
five minutes at each station.

Grade-Level Modifications:

Beginner: Limit the slide to one or two key questions. Allow these students to discuss their answers with a peer before recording their answers on loose-leaf.

Advanced: Ask students develop one additional question related to spending, saving, or charitable giving that can be used by the next group to visit the station.

MONEY SMART TIP!

Provide each station with a laptop or Internet-connected device to   
allow students to do additional research with any remaining time.

Independent Exploration

Personal Budgeting [20 minutes]

When they return to their seats, provide students with the ***Personal Budget*** student handout. Also give them a monthly income that they can use to create their budgets. (Note: You may want to give everyone in class the same budget, say $2,000, or you may want to vary the monthly budgets that students can work with.)

Using their responses to the station questions, students will fill out their ***Personal Budget*** student handout, factoring in expenses, savings, and giving decisions. (Note: You might help students brainstorm some of the possible items on the budget.) See a possible student response to the ***Personal Budget*** student handout on page 104 of the **Answer Key**.

Grade-Level Modifications:

Beginner: Limit the number of expenses to the options and prices on the group handouts. Also, limit how students use their money for savings and giving. For savings, beginner students can focus on putting money into a simple savings account. For giving, beginning students can determine how much money they’d give away.

Advanced: Advanced students can have unlimited expenses and ways to save and give money. They might have a few methods of saving and a few methods of giving included in their personal budgets. Also, advanced students may want to provide one another with ongoing peer feedback to ensure that they include all expenses.

When students are finished with their budgets, they will choose one interesting part of it to present to the small groups from their stations. For example: some students may think that the way they factored giving into their budget is interesting, or how they limited their expenses to have more money in their savings accounts.

Students will then present their budget to their small group, focusing on what makes their budget interesting. Peers will use peer feedback norms to provide the students with budget “glows and grows.” During “glows,” peers will offer positive feedback on the budget. During “grows,” peers will offer some suggestions or questions that might prompt change or improvement of the budget.

Wrap Up

Explaining My Budget Quick-write [10 minutes]

Have students respond to the prompt in writing: *You will be turning in your budget, but you will not be present when the teacher reviews it. Write an explanation of how you set up your budget and the decisions you made so that the budget will make sense to someone else (your teacher).*

extended exploration

**Note:** Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

English Language Arts

* **Writing Prompts:**
* Imagine that you’ve just been gifted with $1,000,000. How would you spend, save, or give the money? What lessons have you learned about financial decision making that have influenced your choices?
* What do you think should be the most important part of financial decision making: spending, saving, or giving? Write a convincing argument for your selection.
* **Additional Readings/Resources:**
* *Spend* by the Financial Literacy and Education Commission: Tips for students about how to spend money. <http://www.mymoney.gov/spend/Pages/spend.aspx>
* *Save and Invest* by the Financial Literacy and Education Commission: Tips for students about how to save and invest money. <http://www.mymoney.gov/save-invest/Pages/saveandinvest.aspx>
* *Ten Wise Giving Tips* by the Network for Good: Tips on how to give your money. <http://www1.networkforgood.org/for-donors/tips-and-tools/giving-wisely>

Math

* **Activity/Project Ideas:**
* Imagine that you’ve just been gifted with $1,000,000. Create a detailed budget about the amount of money you spend, save, or give. Use financial calculators to determine interest gained on savings, and potential risk or reward on investments.
* Investigate the finances of a variety of nonprofit organizations in your community. Complete calculations to determine how much of their budget is from charitable donations and what might happen if charitable donations decreased.

Social Studies and Economics

* **Activity/Project Ideas:**
* Research the incentives that the government has placed on charitable giving, such as tax deductions. Evaluate whom the government incentives are geared toward and whether or not the incentives increase charitable giving.

Technology

* **Online Games/Tools:**
* *The Great Piggy Bank Adventure* by the Disney Corporation: A game that helps students set a financial goal and carry through with their plans. <http://piggybank.disney.go.com/game/>

Lesson Overview

Gaining strides in their compounding financial knowledge, learners delve into personal   
decision making in this 12th and final lesson by applying their budgeting skills to determine   
when and how to **save**, **spend**, or give with their money. Exploring **charitable giving** as part of   
a spending plan, learners discover how giving adds value to a financial life.