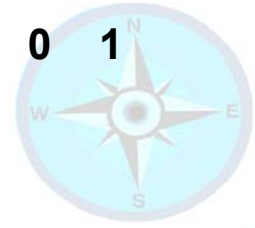

N A V I G A T I O N 1 0 1

GRADE: 9

LESSON: 18



THEME: USING MONEY

LESSON GOALS:

- Help students understand the concept and value of budgeting money.
- Help students develop a hypothetical budget and understand what they would need to earn.

ESSENTIAL QUESTIONS:

- What are my financial goals?
- How can I use money wisely?

MATERIALS NEEDED:

- **Budget Worksheet** (*final pages of this lesson plan*)

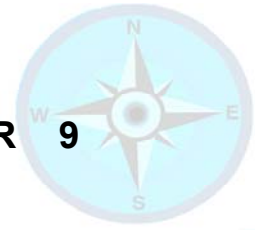
CLASSROOM ACTIVITIES:

1. **Review students' experience with their Student-led Conferences.** How do your students feel about their student-led conferences? How did they do? What could they have done better? What would they like to change for next year? Discuss students' experiences. You may wish to share results from your student and parent feedback questionnaires. (*5-10 minutes*)
2. **Discuss reasons for budgeting.** Distribute the **Budget Worksheet** to your students. Review the first page of the handout. Focus your discussion in particular on **why** someone would budget. Ask students if they've ever made a budget or if they've seen their parents using a budget. (*5-10 minutes*)
3. **Prepare a sample budget.** Next, turn to the second page of the **Budget Worksheet**. The exercise asks students to develop a hypothetical budget for themselves, imagining that they are living alone. This will be their first step in developing a Financial Plan, which they will complete before graduation. Then have students work alone or in small groups to build a sample budget using the information given. Review students' budgets. How could they meet this budget? (*10-15 minutes*)

STUDENT PRODUCTS:

- **Sample budget.** Each student should complete the exercise in the **Budget Worksheet** and file it in his or her portfolio.





BUDGET WORKSHEET – GR 9

WHAT IS A BUDGET?

A **budget is a plan**... a plan for how you will use your money. A budget predicts how much money you will have. And it helps you plan how you will spend that money.

Budgets can be created for an individual, a family, a business, an event, or a country. But a budget always shows the same things: how much money is available, and how that money will be spent.

WHY CREATE A BUDGET?

There are many reasons to create a budget. Here are a few of them:

- **To plan for the future.** If you want to buy a car, rent your own apartment, or go to college, you need to plan carefully for how you will spend your money. You might even have to save money, and a budget will help you do that.
- **To make choices about what to do or what to buy.** If you're like most people, you probably want more than you can afford. What should you do? A budget can help you decide.
- **To avoid spending more than you earn.** It's a lot easier to spend money than it is to earn it! And it's very easy to spend more than you earn and end up owing a credit card company a lot of money. A budget can help you limit your spending.

HOW DO YOU CREATE A BUDGET?

It's easy to create a budget. You can work on a spreadsheet program or on paper. All you need to do is list two types of things:

- your **income** (the money you have available to spend); and
- your **expenses** (the money you plan to spend).

Budgets usually divide income and expenses into different categories. For instance, you could show how much you plan to spend on food, how much on your car, how much on clothes, and how much on rent. If you want to save money toward a big purchase (such as a car) you could list "savings" in your budget.

A budget will then show whether you have a **surplus** (more income than expenses) or a **deficit** (more expenses than income). You can then figure out what to do about that.

