



# Financial Literacy Lesson:

Budgeting

## Grade Levels:

9 - 12th

### Topic:

Expenses + Intro to Budgeting

### Lesson Purpose:

To introduce students to various types of expenses they will encounter and how to budget for those expenses.

### Objective:

Students will use a choice boards to practice identifying expenses and practice decision making around budgeting.



## Teacher Lesson Outline:

### Intro / Hook :

- 5-7 min Intro:** Write Prompt on the Board or Display  
Bills Parents/Guardian Pay or You pay: List as many as you can think of - ones that come every month and ones that are occasional or come as a surprise.
- 5-7 min:** Have students share and reiterate that being responsible with your money requires that you have an idea of your expenses so you can plan to pay for them.
- 5 min Content Intro:**  
Define the different types of expenses and provide examples
  - Fixed
    - Expenses that cost the same amount on a routine basis
    - Examples: Mortgage or Rent, Car Note, Netflix Subscription
  - Variable
    - Expenses that change in cost and occurrence
    - Examples: Going out to eat, shopping, utility bill
  - Unexpected
    - expenses that come as a total surprise
    - Examples: Emergency room, flat tire
- 5 min** Intro Budgeting Activity: Imagine you make \$2,500 a month.
- 20 min** Look at the items on your choice boards and the price they each cost. Choose all of the items that you would purchase in a month. \*Remember you can't go over your allotted amount AND you must choose at least one from each of the Must Choose Categories.
- 10 min** Discuss how hard it was for students to make their choices. (Be sure to let them know that it is normal and part of the decision-making process they'll use for the rest of their lives).
- Discuss the responsibility it takes to account for both the things you need and want in order to be financially stable. Reiterate the importance of not living above one's means.

## START: Essential Question(s)

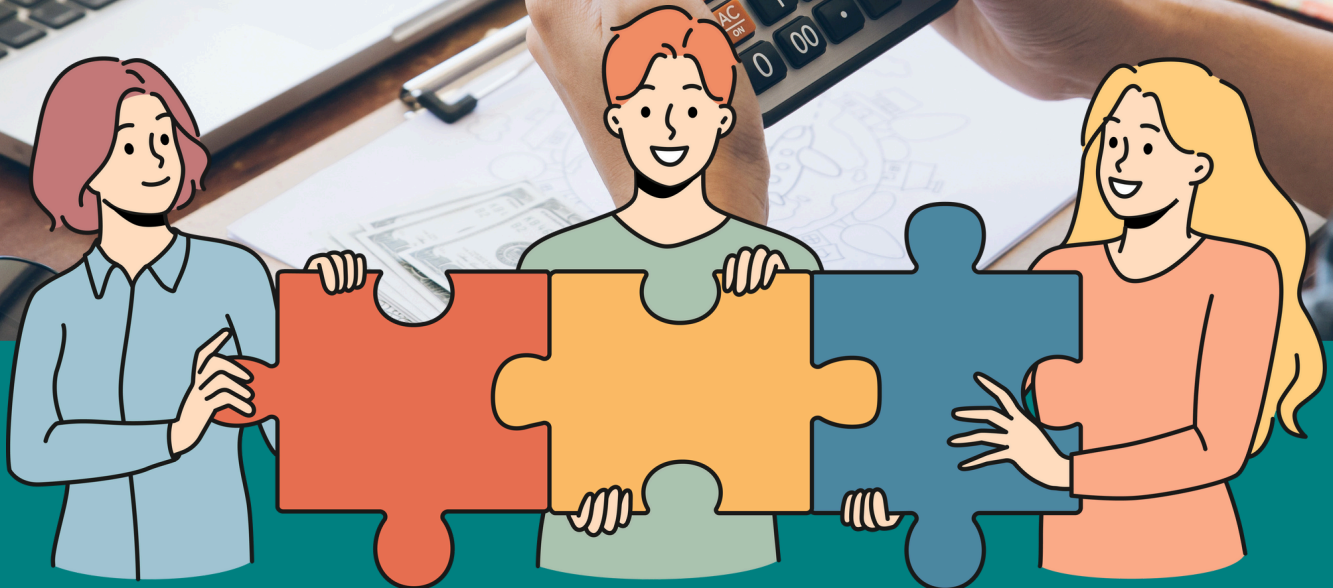
- Q : Why is creating a budget important?  
Creating a budget or a plan for how you will spend your money is one of the most important steps you can take to manage your money properly for financial stability.
- Q : What are the three categories of expenses?
- **Fixed** – expenses that cost the same amount on a routine basis  
Examples: Mortgage or Rent, Car Note, Netflix Subscription
  - **Variable** – expenses that change in cost and occurrence  
Examples: Going out to eat, shopping, utility bill
  - **Unexpected** – expenses that come as a total surprise  
Examples: Emergency room, flat tire

## Education Standards Addressed:

- Utah Standard 2.3 – Identify fixed, variable, and periodic expenses.
- Utah Standard 2.7 – Create a personal budget and live within one's means.
  - Utah Standard 2.4 – Describe how budgeting supports financial stability.

## Additional Lesson Materials:

**Choice Boards**



# Budget MUST CHOOSE Options

## Directions:

Make a choice from each essential needs expenses category. You must choose one from each category!

### Housing

1. 2 Bedroom Apartment rent - \$850/month
2. 3 Bedroom Townhome mortgage - \$1,000/month

### Electric / Utilities

1. For the 2 Bedroom Apartment - \$175/ month
2. For the 3 Bedroom Townhome - \$235/ month

### Food

1. Groceries/ cooking - \$300 / month
2. Groceries and Some Eating Out - \$375/ month
3. Mainly Eating Out - \$450 / month

### Transportation

1. Honda Accord - \$200/month
2. BMW - \$350/ month
2. Tesla - \$425 / month

### Car Insurance

1. For the Honda Accord - \$125 / month
2. For the BMW - \$185 / month
2. For the Tesla - \$275 / month

### Health Insurance

1. Bronze Basic Plan Health Only - \$125
2. Silver Health Plan + Dental - \$145
3. Gold Health Plan + Dental + Vision - \$165

### Transportation Fuel

1. For the Honda 87 regular gas - \$95 / month
2. For the BMW 93 premium gas - \$215 / month
3. For the Tesla charging station - \$50 /month

### Essentials

(Toiletries, Hygiene, Household items etc)

1. Walmart - \$100 / month
2. Target - \$150 / month
3. Walmart + Target - \$200 / month

### Cell Phone Bill

1. AT&T - \$70 / month
2. Verizon - \$80 / month
3. T-mobile - \$85 / month

# Budget OPTIONAL Choices

## Directions:

Choose one item from each of the categories that you desire. You do not have to choose any but can choose up to how many you really want and can afford.

### Music Subscription

1. Pandora - \$10 / month
2. Apple Music - \$11 / month
3. Tidal - \$11 / month
4. Spotify - \$11 / month

### TV Subscription

1. Hulu - \$ 9 / month
2. Amazon Prime - \$15 / month
3. Netflix - \$16 / month

### New Clothes / Shoes

1. New Shoes - \$125
2. New Clothing - \$150
3. New Shoes + Clothing - \$275

### Electronics

1. New Video Game - \$70
2. New Laptop Computer - \$500
3. New Cell Phone - \$ 800

### Hang Out With Friends

1. Bowling & Snacks - \$ 25
2. Movies & Snacks - \$ 35
3. Concert or Pro Sports Game - \$75

### Travel

1. WkEnd getaway FL - \$350
2. WkEnd getaway California - \$750
3. 5 day Island Trip - \$1,200



# Intro Budgeting Activity

**Directions:**

Imagine that you just graduated from college and got your first entry level job making \$2,500 a month. Use both Choice Boards (MUST CHOOSE) and (OPTIONAL) to make your decision on how you will spend your money. Record your choices below:

| <b>MUST CHOOSE</b>    | <b>COST:</b> |
|-----------------------|--------------|
| Housing :             |              |
| Electric :            |              |
| Food :                |              |
| Transportation :      |              |
| Transportation Fuel : |              |
| Car Insurance :       |              |
| Health Insurance :    |              |
| Essentials :          |              |
| Cell Phone :          |              |
| <b>OPTIONAL</b>       |              |
| Music Subscription :  |              |
| TV Subscription :     |              |
| New Clothes / Shoes : |              |
| Electronics :         |              |
| Hang Out w/ Friends : |              |
| Travel :              |              |
| <b>TOTAL COST</b>     |              |

## Reflection Questions:

1. Which choices were the most difficult to make?

2. Were you surprised at how much any of the things you/want need cost?

3. How close to your budget did you come? Was there any money left for saving and/or investing?



## Financial Literacy Lesson:

Budgeting Lesson 2

### Grade Levels:

9 - 12th

### Topic:

Creating a Budget

### Lesson Purpose:

To introduce students to bank statements and the 10-10-80 Budget.

### Objective:

Students will evaluate various scenarios with bank statements to better understand the various types of expenses, be introduced to the 10-10-80 budget and have the opportunity to create their own personalized budget.



## Teacher Lesson Outline:

### Intro / Hook:

1. **5-7 min** Hook: Play Planned to A.T. Budgeting Video and have students fill out their note-taking guide.
2. **5-7 min** Intro Bank Statement Review: Display **Bank Statement**  
Point out beginning and ending balance, transactions, credits, debits and how they affect the balance.
3. Place students into groups of no more than 4.
4. **5-7 min** Provide each group with a **scenario** and bank statement (1 - **Stuart**, 2 - **Tatiana** -, or 3 - **Ayden** -) to analyze and answer questions.
5. **15 min** Have students from each group share out a summary of their scenario and discuss what they think the person could do better financially.
6. **5 min** Wrap Up: Provide students with individual **budget guides** to complete/discuss at home.

## START: Essential Question(s)

- Q : How do I read a bank statement?  
Point out beginning and ending balance, transactions, credits, debits and how they affect the balance.
- Q : How do I create my own budget?  
Using the provided guide, students can walk through creating their own budgets.

## Education Standards Addressed:

- Utah Standard 3.1 - Interpret bank statements and reconcile accounts.
- Utah Standard 3.3 - Explain how to avoid overdraft fees and manage balances.
- Utah Standard 2.7 - Create a personal budget using percentage-based models (10-10-80).

## Additional Lesson Materials:

- **Bank Statement**
- **Scenario**
  - Accompanying statements
  - Stuart
  - Tatiana
  - Ayden

Wrap up: **Budget guides**

