Financial Literacy: Budgeting Lesson 1

EXPENSES + INTRO TO BUDGETING | GRADES 9–12 | 55 MINUTES

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

Objective: Students will use choice boards to practice identifying expenses and making decisions around budgeting.

Standard: SS.912.FL.3.9: Develop a budget based on a given income and expenses for long-term and short-term financial goals.

Teacher Lesson Outline

Time	Activity	Student action
0–5	Bills, Bills, Bills!	Quick brainstorm and share monthly, occasional, and surprise bills.
5–10	Expense Sorting Challenge	Sort expense examples into fixed, variable, or unexpected; defend ambiguous answers.
10–15	Your Money, Your Rules	Review $2,500 take-home monthly income, essential/optional choices, and savings.
15–30	Build Your Lifestyle	Use MUST CHOOSE and OPTIONAL choice boards to build a budget.
30–40	Life Happens!	Draw a surprise card; revise spending and record the new balance.
40–50	Budget Battle	Compare plans with a partner and justify one financial trade-off.
50–55	My Money, My Priorities	Complete quick exit ticket and reflection.

Teacher setup: Print the choice boards and budgeting worksheet. Prepare one Life Happens! card per student or pair. Provide calculators if available. Treat all amounts as simulated classroom prices, not current market estimates. Assume the $2,500 is monthly take-home pay.

Important: No budgeting video is included in Lesson 1. The 10-10-80 budgeting video belongs in Lesson 2.

© 2026 Planned to A.T., Inc. | All rights reserved.

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:

SS.912.FL.3.9: Develop a budget based on a given income and expenses for long-term and short-term financial goals.

Additional Lesson Materials:

Choice Boards



© 2026 Planned to A.T., Inc. All rights reserved.

© 2026 Planned to A.T., Inc. All rights reserved.

Teacher Facilitation Guide

STEP-BY-STEP DIRECTIONS

0–5 min | Bills, Bills, Bills!

Give students 60 seconds to list bills paid by themselves or a parent/guardian. Ask for examples that recur every month, happen occasionally, or arrive unexpectedly. Invite several students to share. Emphasize that identifying expenses is the first step toward planning for them.

5–10 min | Expense Sorting Challenge

Introduce fixed (generally consistent recurring cost), variable (amount changes), and unexpected (unplanned expense). Read examples aloud: rent, groceries, electricity, streaming subscription, flat tire, car payment, restaurant meal, urgent medical bill. Students show F, V, or U with fingers/cards or move to labeled corners. Ask why utilities might vary even though the bill is regular.

10–15 min | Your Money, Your Rules

Tell students they have $2,500 of monthly take-home income. Show the MUST CHOOSE board, then OPTIONAL board. Explain they must select one option from every required category, account for related costs (such as car, insurance, and fuel), and may add optional purchases only if affordable. Encourage students to reserve some money for savings and emergencies.

15–30 min | Build Your Lifestyle

Students complete the Intro Budgeting Activity worksheet using both choice boards. Have them total required expenses first, then add optional expenses, then subtract from $2,500. They should record savings separately and ensure expenses plus savings do not exceed income. Remind students that the boards mix recurring monthly costs with some one-time purchases; for this simulation, include any one-time purchase they select in this month's spending.

30–40 min | Life Happens!

Give each student or pair one surprise card from the next page. They calculate its impact and revise their budget without exceeding the $2,500 income. Ask them to circle the expense they reduced or postponed, or identify savings used. If they cannot cover the expense, they must explain the shortfall and propose a realistic next step.

40–50 min | Budget Battle

Pairs compare their initial and revised budgets. Each student explains one choice they prioritized, one expense they reduced, and how much money remains. Partners offer one constructive suggestion. Invite 2–3 pairs to share contrasting strategies; emphasize there is no single perfect budget.

50–55 min | My Money, My Priorities

Students complete the exit ticket. Collect it to assess whether they understand expense categories, spending trade-offs, and the value of leaving room for savings or unexpected costs.

© 2026 Planned to A.T., Inc. | All rights reserved.

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

© Planned to A.T., Inc. All rights reserved

© 2026 Planned to A.T., Inc. All rights reserved.

Life Happens!

CUT-APART SURPRISE CARDS | STUDENT ACTIVITY

Teacher: Cut apart these cards or display one scenario at a time. Students must adjust their existing $2,500 budget and show their math.

FLAT TIRE	$275 car repair this month.
UTILITY SURPRISE	Your electricity bill is $65 higher than expected.
EXTRA INCOME	You receive an unexpected $150 bonus.
PHONE TROUBLE	Your phone needs a $200 repair or replacement.
MEDICAL EXPENSE	An unexpected medical bill costs $125.
FAMILY EVENT	A family celebration requires an extra $90 this month.

Student Budget Adjustment

My spending total before changes: $_____

My savings before changes: $_____

Surprise cost / additional income: $_____

Expense(s) I will change: _____

My revised spending total: $_____

My revised savings amount: $_____

Money remaining from $2,500: $_____

© 2026 Planned to A.T., Inc. | All rights reserved.

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



© Planned to A.T., Inc. All rights reserved

© 2026 Planned to A.T., Inc. All rights reserved.

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:

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

© Planned to A.T., Inc. All rights reserved.

© 2026 Planned to A.T., Inc. All rights reserved.

My Money, My Priorities

PARTNER DISCUSSION + EXIT TICKET

Budget Battle — Partner Questions

1. Which essential expense used the largest share of your budget?
2. What optional purchase did you prioritize, and why?
3. What changed after your surprise card?
4. How did you make room for savings or an emergency?
5. What one suggestion did your partner make?

Exit Ticket — Complete Independently

1. Name one fixed expense and one variable expense.

_____

2. What was your most difficult budget trade-off?

_____

3. After your surprise event, what would you do differently next month?

_____

4. Why is it helpful to set aside some money before choosing optional purchases?

_____

Use the reflection worksheet at the end of this packet for a longer written response or homework.

© 2026 Planned to A.T., Inc. | All rights reserved.