

# Your Money, Your Budget

**SUBMITTED BY:** Lee Jackson

**SUBJECT(S):** Personal Finance

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ OVERVIEW:

The goal of this lesson is to introduce students to the concept of budgeting, as well as creating their own personal budgets.

## ≡ RELATED ARTICLES:

- [“Money Makes the World Go ‘Round: Are You Ready?”](#)
- [“Mobile Payments: A Cautionary Tale”](#)
- [“Educator Toolkit: Spending and Budgeting”](#)
- [“Budgeting Tips to Help You Take Control of Your Money”](#)
- [“Budgeting Basics: Spending Less than You Earn”](#)
- [“A Former Golden State Warriors Center on ‘Winning the Money Game’ and Finding Balance in a Sports Career”](#)

## NBEA Standard(s):

IV. Personal Management Skills

Achievement Standard: Develop personal management skills to function effectively and efficiently in a business environment.

## Common Core Standard(s):

Integrate and evaluate multiple sources of information presented in different media or formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a

problem.

### Objectives/Purposes:

- To have students create a real-world budget.
- To have students analyze the difference between wants and needs.

### Other Resources/Materials:

- Bulletin board or chart paper
- Markers
- YouTube video (Bill Cosby helps his son understand money management):  
<http://www.youtube.com/watch?v=nFY0HBkUm8o>

**What are *wants* and *needs*?** In a nutshell, *needs* are the things that you absolutely have to pay for in order to live and avoid bankruptcy: housing payments, taxes, groceries, commuting costs and so on. *Wants* are the things that you spend money on that you don't explicitly need, like dining out or music.

### Tying It All Together:

#### Student Worksheet

*Ask:* What is a budget? Who gets to have one?

*Explain:* A budget is an estimate, often itemized, of expected income and expense for a given period. Everyone should have a budget. A budget tracks patterns, including what money comes in and what money is spent. Having a budget can assist with meeting financial goals, such as purchasing a car or books for school. When determining a budget, students should note both wants and needs.

Here is one method: First, **we list all our spending that isn't strictly essential in a month.** Things that are essential are housing bills, most gas costs, staple foods, medical bills, insurance and so on. These are things that we have to pay for no matter what.

*Demonstrate:* Have students brainstorm possible items for their budget in pairs. Then have each student write down weekly expenditures, such as lunch, ice cream after school, bus fare, gas,

and shopping, in the chart below. (Note: it may be most helpful for students to do a weekly budget.)

My Monthly Budget (Example – student budget is below.)

Income: \$1,200 per month

Item	Amount
Bus fare 3x/ week	\$12
Coffee shop 3x/week	\$26
Weekly Gas for Car	\$25
Rent	\$400
Utilities	\$200
Cell Phone	\$90
Savings	\$100
Dog food	\$30
Groceries	\$100
Movies and Entertainment	\$50

Total: \$853    Remainder: \$157

*Demonstrate:* Have students consider: Which items on their budgets are wants? Which are needs? How can they distinguish among each?

*Close:* Have students share their proposed budgets. What are some things they noticed? Were they surprised by some of the estimates in their budgets?

**Practice Outside of the Classroom:** Ask students to sit with an adult in their home and examine their family’s monthly budget.

**What Worked and What I Would Do Differently:** Students liked doing the activity in pairs, as well as brainstorming items to include on their budgets. The example proved to be very important, as some students had never had to budget before.

**Sources:**

The Simple Dollar- <http://www.thesimpledollar.com>