

Lesson Plan 1

LCE Objective 1.1.3.1: Construct a monthly personal budget for your present income.

Lesson Objective:

1.1.3.1A:1

Students will become familiar with the concepts of budget, income, and expenses.

Instructional Resources:

-Carmen's Income and Expenses worksheet
-Income and Expenses worksheet
-online resources (e.g., U.S. Mints Determining Your Budget interactive at <http://www.themint.org/kids/determining-your-budget.html>)

Lesson Introduction:

How many of you plan how you will spend your money this month? How many of you remember how you spent your money last month? Did you use it wisely? When planning ahead and reflecting on how you spend money, you can more easily control what happens to your money, and you may decide to change how you spend money.

School Activity:

1. Introduce terminology: Income is the amount of money you have coming in (through wages, allowance, etc.). Expenses are the things you pay for. A budget is a plan for spending money. Note that income and expenses are different for everyone.
2. On board, overhead, or interactive whiteboard, draw a large circle to be sectioned into different sized pieces to make a pie graph. Have students name some of their monthly expenses, and estimate how much they spend on each. Categorize the items; proportionally section and label the pie graph to reflect expenses listed. (Alternatively, enter information into an Excel spreadsheet and generate a pie chart based on the data.)
3. In the second session, pairs or small groups of students complete Carmen's Income and Expenses worksheet. (Retain worksheets for use in Lesson Plan 2.) Discuss as a class: Did Carmen spend his money wisely? If he wants to buy a new pair of tennis shoes in two months, will he have enough money? How could he save for this purchase (where could he reduce expenses)? How are Carmen's income expenses different from his parents?
4. Distribute the Income and Expenses worksheet and explain the home activity.

Home Activity:

1. Students complete the Income and Expenses worksheet with a caregiving adult.
2. In class, students share the results of the home activity.
3. Discuss how income and expenses differ by age.

Name: _____

Carmen's Income and Expenses

Date: _____

Directions: With your partner or small group, read about Carmen's day. List and total Carmen's income and expenses (the first couple of events are provided as an example for you). Then answer the questions about Carmen's spending habits.

Time	Event	Income	Expense
7:00 a.m.	Carmen's dad gives him \$50.00	\$50.00	
8:00 a.m.	At Target, Carmen buys a pair of socks (\$3.25) and an Xbox game (\$19.99)		\$23.24
9:00 a.m.	Carmen stops at Starbucks for a coffee (\$4.50) and buys a newspaper (\$1.75)		
11:00 a.m.	On the way to pick up a friend to go out to lunch, Carmen stops at the gas station and fills up the car (\$16.80)		
12:00 p.m.	Carmen and his friend get lunch at Subway (\$8.25)		
Total expenses			
Wait! Does Carmen have enough money to pay for lunch? Tally his expenses and subtract from his income. If he doesn't have enough money, how much does he need to borrow from his friend?			
3:00 p.m.	Carmen earns \$15.00 for mowing his neighbor's lawn.		
3:30 p.m.	Carmen pays back the money he borrowed from his friend.		
6:30 p.m.	Carmen takes a bus to the movie theater to meet his friends (\$1.00).		
7:00 p.m.	Carmen buys a ticket to see a movie (\$8.00).		
9:00 p.m.	Carmen takes the bus home (\$1.00).		
Total income and expenses			
How much money does Carmen have left at the end of the day (subtract all of his expenses from his income)?			

Name: _____

Date: _____

1. If Carmen's income and expenses were the same every day for one month, what would his monthly income and expenses total?

Income for one day: _____ x 30 = _____

Expenses for one day: _____ x 30 = _____

2. Write Carmen's expenses in the appropriate category below and calculate the totals for each category.

<u>Food/Snacks</u>	<u>Transportation</u>	<u>Clothing</u>	<u>Miscellaneous</u>	<u>Entertainment</u>
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Totals				
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Name: _____

Income and Expenses

Date: _____

Directions: Complete with a parent, guardian, or another adult.

1. Define the following words:

Budget _____

Income _____

Expenses _____

2. What are some differences between income and expenses, for a child versus an adult?

When a child

When an adult

Income

_____	_____
_____	_____
_____	_____
_____	_____

Expenses

_____	_____
_____	_____
_____	_____
_____	_____