Collette Johnston

Subject: Adult Roles and Financial Literacy

Length of Lesson: 85 minutes

**Enduring Understanding:**

6.2.5 Describe the role of planning and maintaining a balanced budged

6.2.6 Evaluate the role of emotions when making financial decisions

**Core standard: 20.0117**

**Essential Questions:**

1. What is a budget/spending plan?
2. What are important aspects of a spending plan?
3. Why should you have a spending plan?
4. How will you keep our finances in order?

**Assessments:**

Game with fixed and flexible expenses

Bean Budget

**Learning Activities:**

PowerPoint

Bean Budget

**Induction:**

Early Work

PowerPoint on Spending Plan

Bean Budget

Work on Marriage Packet

**Lesson Plan Day 5:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Time** | **EQ** | **Instruction/Activity** | **Materials** |
| 5 |  | Early work: What is the difference between a traditional and equalitarian marriage? |  |
| 15 | 1  2  3  2  4 | Show PowerPoint  Pass out worksheet for them to fill out during PowerPoint  A spending plan is a financial statement you can use to assist in money management- also known as a budget.  It is important because:   * Giving a person an understanding of where their money is going * Tracking income and expenses * Help meet financial goals * Help people live within their income and make ends meet * Reduce the need for using credit   **2 main components**  Income & Expenses  **Income:** money earned  **Expense**: money spent  2 types of Expenses   1. Fixed- have to be paid by specific date (Food, housing, electricity) 2. Flexible- have to be paid off but not as tight time frame (Medical bills, goals, etc.)   \*Activity- split students into teams of 3-4 people. Give each team a set of Spending Plan Game Cards  List one of these times and each team must identify if the item is **income, a flexible expense, or a fixed expense** by holding up the correlating card.  Rent (fixed)  Wages (income)  Groceries (flexible)  Internet bill (fixed)  Tips (income)  Utilities (fixed)  Gift from family (income)  Savings (fixed)  Car registration (fixed)  Eat out (flexible)  Scholarships (income)  Hobbies (flexible)  **Net Loss and Net Gain**  Net Loss- have more expenses than income during that period on spending plan  Net Gain- more income than expenses  **Spending Plan Process**  6 Steps to the Spending Plan Process   1. Set financial goals 2. Organize 3. Decide 4. Implement 5. Control 6. Evaluate 7. **Set financial goals**. A financial goal should include the following elements 8. Specific: State exactly what is to be done with the money involved 9. Measurable: write the exact dollar amount 10. Attainable: determine how it can be reached 11. Realistic: do not set the goal for something unattainable 12. Time bound: Specifically state when goal needs to be reached 13. **Organize**: determine the appropriate recording format to use, select categories for the spending plan, and select a time period 14. **Decide**: make realistic decisions and estimates for the categories. 15. **Implement**: put the spending plan into effect. Keep records of all income and expense. 16. **Control**: Occurs simultaneously with implementation. Record keeping allows you to realize potential problems. 17. **Evaluate**: determine if the previous steps in the spending plan have worked. Compare estimated amounts to the actual amounts or received or spent. Have goals been met? Assess the progress made toward goals. Make necessary changes | Projector, PP, worksheet |
|  | 3 | A spending plan will vary depending on a person’s needs   * However it needs to have enough detail so a person knows where the money is going regardless of the amount * The categories listed on a spending plan will vary depending on your financial goals, values, needs and wants   A spending plan is something that is re-evaluated as lives and situations change |  |
| 15 | 2  3 | Now that you have learned what are fixed and flexible expenses with your spouse you will have a little “bean budget” you will have to decide on  If you are mother of the bride you will need to pair up with someone if we run out of cards  Pass out bean budget cards  Explain how it works-  Each rectangle is worth one bean, all the rectangles next to an item must be filled in to have that item.  See if you can get your beans to buy all the things you need and want.  Housing, transportation, utilities, insurance, food, and clothing must be accounted for and be sure to reflect on the effects of choices in one category in related categories.  For example if you choose to have a car- you must have car insurance, or if you purchase a house, you must have home insurance.  Give each couple 10 beans  Walk around while they are trying to decide what to do and give them more if they are working well together.  Tell them things like- you have been on time to work your entire time working there- you just got a raise.  Your grandma sent you a check in the mail for your birthday – 2 more beans  After they have worked together we will discuss the activity  How did this make you feel budgeting together and having to decide what is most important?  What emotions did you feel while budgeting?  How do you think this will relate in a real marriage? | Bean budget,  Jelly beans |
|  |  | Show class on projector how to find information they need for their budgeting part of the assignment   1. Salary.com 2. Ksl.com or craigslist.com 3. Major purchase – shaneco.com 4. Mazdausa.com   If you need help finding prices let me know and I will give you resources on the internet |  |
|  |  | Give rest of class to work on marriage packet |  |
|  |  | Work with couple and mothers of the bride |  |
|  |  | Make sure all students are on task |  |
| 2 |  | Wrap up and Review  What is an example of fixed income?  Why should you have a spending plan?  What is a net gain? |  |