

### Learning Objectives

Students will be able to

- Understand what budgeting is and why it is important
- Explain how budgeting can be used to reach their financial goals
- Explain the difference between budgetary needs and wants and how these change from person to person
- Describe strategies to use when trying to determine a need from a want
- Discuss the 50-20-30 rule and other budgeting strategies to use when creating a budget and to save money

### Approximate Time

- Lesson length: 45 mins

### Jump\$tart Standards

Spending

- 2a: Select a product or service and describe the various factors that may influence a consumer's purchase decision
- 5b: Brainstorm consumer research strategies and resources to use when making purchase decisions
- 9a: Explain how having a system for financial record-keeping can make it easier to make financial decisions

### Distribute to Students

- [Student Activity Packet 9WK-9.2](#)

### Plan Your Unit

- [9-Week Course Budgeting Unit Plan](#)
- [Customizable Parent Newsletter: Budgeting](#)




## LESSON PLAN

	Resources	Questions	Est. Time
1	<p>QUESTION OF THE DAY</p> <ul style="list-style-type: none"> <li>• <a href="#">How can Facebook make you poorer?</a></li> <li>• Publisher: NGPF</li> </ul>	<p><b>How can Facebook make you poorer?</b></p> <ol style="list-style-type: none"> <li>1. Answer the question on the first slide in the space on the Student Activity Packet.</li> <li>2. Then, compare your response to the answer on the second slide. Finally, follow your teacher's instructions on how to answer the questions on the last slide.</li> </ol>	5 mins
2	<p>ARTICLE</p> <ul style="list-style-type: none"> <li>• <a href="#">6 Reasons Why You NEED a Budget</a></li> <li>• Publisher: Investopedia</li> </ul>	<p><b>6 Reasons Why You NEED a Budget</b></p> <p>You probably know by now that a budget is a useful way for you to keep track of your money. But what exactly makes it such a powerful tool? Skim through this article to find out. Then, answer the questions:</p> <ol style="list-style-type: none"> <li>1. Out of the six reasons provided, which is the most important to you? Why?</li> <li>2. Despite these six reasons for keeping a budget, many people do not have a budget. Why do you think this is?</li> </ol>	5 mins

3	<p>VIDEO (1:42)</p> <ul style="list-style-type: none"> <li>• <a href="#">What is Wealth?</a></li> <li>• Publisher: Marketplace</li> </ul>	<p><b>What is Wealth?</b></p> <p>Many people think that being wealthy means you own “a lot of stuff”. However, it turns out that the number of things you have does not determine your wealth. Watch this video to learn more about what wealth means. Then, answer the questions. As you move forward with the rest of the lesson, keep in mind how improving your saving habits impacts your overall wealth.</p> <p>Your friends and you notice a classmate who always has brand new clothes, shoes, and electronics.</p> <ol style="list-style-type: none"> <li>1. What would you need to know in order to tell if this classmate’s family is actually wealthy?</li> <li>2. How do you think keeping a budget can impact your overall wealth?</li> </ol>	4 mins
4	<p>VIDEO (1:18)</p> <ul style="list-style-type: none"> <li>• <a href="#">Needs vs. Wants</a></li> <li>• Publisher: Columbia College</li> </ul>	<p><b>Needs vs. Wants</b></p> <p>It’s important to determine what you really need and what you really want. Watch this video to learn more about how you can distinguish between the two. Then, answer the questions.</p> <ol style="list-style-type: none"> <li>1. When deciding if you should buy something, what can you ask yourself to determine if the item is a need or want?</li> <li>2. Why do you think people spend so much money on their <i>wants</i> despite the financial costs?</li> </ol>	4 mins
5	<p>ARTICLE</p> <ul style="list-style-type: none"> <li>• <a href="#">How "Wants" Will Sabotage Your Budget</a></li> <li>• Publisher: Clearpoint Counseling Services</li> </ul>	<p><b>How “Wants” Will Sabotage Your Budget</b></p> <p>This article gives you a list of additional questions you can ask yourself when determining whether a purchase you’re about to make is a want or a need. Using these questions as a guideline, make a list of 3 things <u>you</u> need in the next month and 3 things <u>you</u> want.</p>	5 mins
6	<p>ACTIVITY</p> <ul style="list-style-type: none"> <li>• <a href="#">COMPARE: Needs vs. Wants</a></li> <li>• Publisher: NGPF</li> </ul>	<p><b>COMPARE: Needs vs. Wants</b></p> <p>Follow the directions on this worksheet to complete the activity.</p>	12 mins*

<b>7</b>	<p>REFERENCE</p> <ul style="list-style-type: none"> <li>• <a href="#">50-20-30 Rule</a></li> <li>• Publisher: Daily Worth</li> </ul> <p>ARTICLE</p> <ul style="list-style-type: none"> <li>• <a href="#">Budgeting Tips</a></li> <li>• Publisher: Mint</li> </ul> <p>❖ <b>Teacher Tip:</b> Rather than having all students read the entire article, you can assign parts of the article to different groups of students and have them present the information to the rest of the class.</p>	<p><b>50-20-30 Rule, Budgeting Tips</b></p> <p>Some first-time budgeters may find creating a budget to be an overwhelming process. Others may under or overestimate how much money they need for certain categories. Review the image to learn about the 50-20-30 rule, a popular rule of thumb in budgeting. Then, skim the article to see how you can easily create a budget and adjust it to help you manage your finances more accurately. Then, answer the questions.</p> <ol style="list-style-type: none"> <li>1. Do you think you will use the 50-20-30 budgeting rule of thumb when creating your own budget?             <ol style="list-style-type: none"> <li>a. If yes, what about the rule do you like that convinced you to use it?</li> <li>b. If no, what would you change about the rule?</li> </ol> </li> <li>2. The image recommends that you put 20% of your income towards your “savings and financial goals”. What financial goals do you think you will have as a recent college graduate?</li> <li>3. While it would be ideal to use all of the tips the article provides when budgeting, which 2-3 strategies do you think you will be able to realistically use?</li> </ol>	<p>5 mins</p>
<b>8</b>	<p>EXIT TICKET</p> <p>❖ <b>Teacher Tip:</b> To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the <a href="#">Unit Page</a> this resource is in.</p>	<p><b>Exit Ticket</b></p> <p>Follow your teacher’s directions to complete the Exit Ticket.</p>	<p>5 mins</p>

**\*Teacher Tip:** Completing all of this activity will likely take longer than the designated time. You may want to assign the remainder for homework.



## EXTEND THE LEARNING

DO MORE...	LEARN MORE...
<p><b>ACTIVITIES</b></p> <ul style="list-style-type: none"> <li>• <a href="#">MATH: Making Sense of Percents</a></li> <li>• Publisher: NGPF</li> <li>• <a href="#">PROJECT: Rein in Your Wants</a></li> <li>• Publisher: NGPF</li> </ul> <p><b>DATA CRUNCHES</b></p> <ul style="list-style-type: none"> <li>• <a href="#">How Does Spending Differ Across Generations?</a></li> <li>• Publisher: NGPF</li> <li>• <a href="#">How Have Prices For Consumer Goods Changed Over the Past 20 Years?</a></li> </ul>	<p><b>ARTICLES</b></p> <ul style="list-style-type: none"> <li>• <a href="#">'Buy Now, Pay Later' Sends TikTok Generation Spiraling Into Debt</a></li> <li>• Publisher: SF Gate</li> <li>• <a href="#">Setting Up a Budget on Your Values</a></li> <li>• Publisher: New York Times</li> <li>• <a href="#">Money Tips For Low-Income Families</a> *CRE and Equity</li> <li>• Publisher: Clever Girl Finance</li> </ul> <p><b>INFOGRAPHICS</b></p>

- Publisher: NGPF

#### FINCAP FRIDAY

- [Nike Eyes Growing Feet](#)
- Publisher: NGPF

#### INTERACTIVES

- [Are You Rich? This Income-Rank Quiz Might Change How You See Yourself](#)
- Publisher: New York Times
- [Quizlet Vocabulary | Budgeting](#)
- Publisher: NGPF

- [Illustrating the Racial Wealth Gap in the US](#)  
\* CRE and Equity
- Publisher: HowMuch.net

- [Consumer Spending in the US](#)
- Publisher: Howmuch.net

#### VIDEOS

- [Budgeting for Teens](#)
- Publisher: Finance Education
- [Wealth Distribution in the US](#) \* CRE and Equity
- Publisher: Federal Reserve Bank of St. Louis
- [TikTokers swear by cash-stuffing to create and stay on a budget](#)
- Publisher: Good Morning America

#### VOCABULARY

- [NGPF Personal Finance Dictionary](#)
- Publisher: NGPF

### FAST FACTS...

- Mobile platforms made up 51 percent of traffic to retail websites during the November-December period of 2018 and were responsible for nearly a third of all online spending (Reuters, 2019).
- US Senator, Harvard bankruptcy expert, and Presidential Candidate Elizabeth Warren was the one who coined the 50/30/20 rule for spending and saving with her daughter (The Balance, 2019).