

Budgeting Basics

Always encourage your students to take notes. Also, remember to leave yourself 5 minutes before the end of class to go over the post-test and collect them!

➤ **Making a connection to students | 2 minutes**

1. Introduce yourself: Name, employment or volunteer work, and why this topic is important.

➤ **Begin class: | 3 minutes**

Before opening the book, write the title **Budget** on the board.

1. Ask for students who currently have a financial budget. If someone responds yes, then ask them why they have a budget.
2. If no one responds ask the class to define budget.

➤ **Instruct students to open their books on page #2**

I. Control Your Finances with a budget | 45 minutes

A. The basics-

1. Have a student read aloud points 1-3 at the top of page #2 **Line 2 is a Pre Course Question.**
2. Summarize what the students read about budgets. Emphasize that everyone's budget is unique to their lifestyle. This is a

B. Key Concepts and Income

1. Introduce the income terms by writing them on the board.
2. Have a student read the definitions for each term.
3. Next write on the board below examples for each.

Gross Income- $\$10/\text{hr} \times 80 \text{ hrs (FT Job)} = \$800 \times 2(\text{weeks}) = \1600

Net Income- $\$1600 - (\text{fed tax, S.S}, \text{ Medicare}) = \text{Take Home Pay}$

4. Read aloud the third point starting with **Always**.

C. What are Expenses Page #3

1. Ask for a student to read line 1.
2. Next, write the three types of expenses on the board (fixed, flexible, discretionary) and ask the students to say them aloud after you.
3. Ask for students to read the lines under each expense. As they do, reiterate examples of each expense type.
4. **Activity** : Give 3 different examples of expenses and ask the students to tell you which is Fixed, Flexible, or Discretionary. Below are examples you can choose from. Remember to write them on the board under the correct type.

This activity is not in their books.

Fixed	Flexible	Discretionary

1. Electricity (Flexible)
2. Gym Membership (Disc)
3. Car Insurance (Fix or Flex)
4. Water Bill (Flex)
5. Rent/Mortgage (Fixed)
6. Netflix (Disc)
7. Gas for car (Flex)



Activity



5. Consider your NEEDS vs. your WANTS Page # 3

Activity- Read aloud the below examples and have students respond if they are needs or wants. The items with N and W means that it could be both. The students have the exercise in their books but the boxes are blank. Encourage them to write their answers in their own book. **Depending on the time, you don't have to complete each box in the activity.**

Pick 5 or 6 out of the 12 or examples and ask the students to complete the rest at home.

N	Rent	W	Movie Theater	N	Groceries	N	Brand Name Clothes
N W	Medicine	N	Car Insurance	W	McDonalds	N W	Internet
N	Savings	W	Hair and Nail Salon	N	Electricity	N W	Cell Phone

6. Create a budget of your own Page #4

➤ Have students turn to page #4. Use the numbers below to create the budget. The student guides have blank lines so they will write what you tell them.

Monthly Income (Net)	\$2500
Expenses	
Rent/Mortgage	\$1100
Electricity/Utilities	\$200
Groceries/Food	\$300
Cell Phone	\$120
Car Loan	\$250
Car Insurance	\$100
Gas/ Transportation (Public)	\$200
Internet/Cable	\$150
Savings	\$50
Expense Total	\$2470
Remainder	\$30

➤ After you create this budget with them, go through each item and ask them if they can change any of the expenses costs to increase the remainder. As you make the change add the difference to the remainder.

D. Avoid Budgeting Mistakes Page #5

1. You read the beginning paragraph for this section aloud.
2. Have volunteers read aloud 1 or 2 bullet points under sections 1-4.

Bull.#1 of Lin. #1 is the 2nd Pre Course Question

E. What if there's not enough income... Page #6

1. Take a moment to summarize main points about this section

Activity



Conversation Starter



Reading



Summarize

- Ask students if they have any questions about the budgeting section before moving on.

II. Become A Smart Shopper | 35 Minutes

Reading



A. The Basics- Page # 6

1. Have a student read aloud this section. As they read, write on the board, Resist Impulse Buying, Comparison Shop and Research Products.
2. Ask students if they know what these terms mean. After a few responses, continue to section A on Page #7.

A. Find the best overall value

1. Summarize lines 1-3. Use the illustration on page #7 as a visual for brand name vs. store brand
2. Have a student read aloud line #4.

Summarize

B. Comparison Shop

1. Read aloud for the students line 1. Compare their earlier responses to that in the guide.

C. Resist Impulse Buying

1. Read aloud for the students lines 1-2. Compare their earlier responses to that in the guide.

D. Research before you buy

1. Have a student read this section.
2. Ask them if they have ever used any of the online review sites. If yes, ask them what they researched.
3. Have a student read points under try before you buy. Ask them if they understand what this means.
4. Give them some examples of products/services they can try before purchasing and others that they cannot. For example, they can test drive a car, however, they cannot taste test a sealed pint of ice cream prior to purchase.

E. Free Trials

1. Before this section, ask students if they have ever enrolled in a free trial. If yes, ask them to share their experience. Ask them if they continued with the service or product or cancelled.
2. Ask for a student to read the first two paragraphs aloud on page #8.
3. Next summarize points 1-2 for the students.

F. Warranties

1. Briefly discuss the chart displaying the differences between the warranties and guarantees.

G. Refunds Policies

1. Before starting this section, ask students if they know in general
How many days allowed for full refund
Do you have to have the receipt
2. After a few responses read aloud for them the first three bullet points.

H. Restocking Fees

1. Summarize this brief section.

Now the class is almost finished. Have the students turn to the last page of the book and complete the Post Test Survey. Read the questions aloud and read through the answers. When the students are finished have them tear off the sheet and hand it in to you. Then place them and the sign in sheet into the class folder.

POST TEST

