Maintaining a Budget

Content Area: **Gifted and Talented**
Course(s): **Generic District Course, Gifted and Talented**
Time Period: **Week 14**
Length: **10 Weeks**
Status: **Published**

Unit Overview

During this unit, students create a comprehensive budget based upon the work completed in the first two units. In order to accomplish this, students investigate various factors that contribute to the cost of living. Based on the jobs they "hold", they seek out a place to live, estimate the costs of basic household management, including electricity/gas, water, garbage, television, and Internet. They also create a weekly grocery shopping cost analysis based upon a local grocery store's advertisement. Students analyze the additional costs they may have including a cell phone, clothing allowance, and money for leisure activities. Students consider the benefits of saving part of their income as well as their plans for the saved money. Students are introduced to alternative methods of purchasing items including credit cards, layaway, and loans.

Standards

WORK.5-8.9.2.8.A.1	Relate how career choices, education choices, skills, entrepreneurship, and economic conditions affect income.
WORK.5-8.9.2.8.A.3	Relate earning power to quality of life across cultures.
WORK.5-8.9.2.8.A.4	Relate how the demand for certain skills determines an individual's earning power.
WORK.5-8.9.2.8.A.5	Explain the difference between "earned income" and "unearned income" (e.g., gifts) and why earned income is important.
WORK.5-8.9.2.8.A.8	Differentiate among the types of taxes and employee benefits.
WORK.5-8.9.2.8.B.1	Construct a simple personal savings and spending plan based on various sources of income.
WORK.5-8.9.2.8.B.2	Justify the concept of "paying yourself first" as a financial savings strategy.
WORK.5-8.9.2.8.B.3	Relate the concept of deferred gratification to investment, meeting financial goals, and building wealth.
WORK.5-8.9.2.8.B.4	Analyze the effect of the economy on personal income, individual and family security, and consumer decisions.
WORK.5-8.9.2.8.B.5	Evaluate the relationship of cultural traditions and historical influences on financial practice.
WORK.5-8.9.2.8.B.6	Construct a budget to save for long-term, short-term, and charitable goals.
WORK.5-8.9.2.8.B.7	Develop a system for keeping and using financial records.
WORK.5-8.9.2.8.B.8	Explain the concept of cash flow and construct cash flow statements.
WORK.5-8.9.2.8.B.9	Create debit and credit balance sheets and income and cash statements.
WORK.5-8.9.2.8.B.10	Determine the most appropriate use of various financial products and services (e.g., ATM, debit cards, credit cards, checkbooks).
WORK.5-8.9.2.8.B.11	Justify safeguarding personal information when using credit cards, banking electronically, or filing forms.

WORK.5-8.9.2.8.B.12	Evaluate the appropriate financial institutions to assist with meeting various personal financial needs and goals.
WORK.5-8.9.2.8.D.1	Determine how saving contributes to financial well-being.
WORK.5-8.9.2.8.D.2	Differentiate among various savings tools and how to use them most effectively.
WORK.5-8.9.2.8.D.8	Assess the impact of inflation on economic decisions and lifestyles.
WORK.5-8.9.2.8.E.1	Prioritize personal wants and needs when making purchases.
WORK.5-8.9.2.8.E.3	Evaluate the appropriateness of different types of monetary transactions (e.g., electronic transfer, check, certified check, money order, gift card, barter) for various situations.
WORK.5-8.9.2.8.E.4	Compare the value of goods or services from different sellers when purchasing large quantities and small quantities.
WORK.5-8.9.2.8.G.3	Explain the purpose and importance of health, disability, life, and consumer insurance protection.
WORK.5-8.9.2.8.G.4	Determine criteria for deciding the amount of insurance protection needed.
WORK.5-8.9.2.8.G.5	Analyze the need for and value of different types of insurance and the impact of deductibles.

Essential Questions

- Why is it important to create and adhere to a budget?
- How does one create a budget?
- How does one handle purchasing large items that will not fit in a monthly budget?
- How are credit cards useful and harmful?

Application of Knowledge and Skills...

Students will know that...

- Credit cards allow people to make large purchases while paying off the balance plus interest over time.
- Maintaining a financial budget allows people to live within their means and save for future expenditures.
- There are a variety of ways to save money including savings accounts, checking accounts, money market accounts, and CD's; each with their own benefits.
- There is a difference between wants and needs when constructing and maintaining a financial budget.

Students will be skilled at...

- Calculate the interest and monthly payments for purchases made on a credit card.
- Construct a household budget based on calculated take-home pay figures.
- Differentiate between the cost of purchasing groceries and cooking food and ordering out from restaurants.
- Prioritize bills and purchases to fit within a monthly budget.

Assessments

- Create and Present Your Budget Summative: Personal Project Students synthesize information and skills to create a personal budget based on their take-home pay for their job. Students present their budget to the class and detail their budget rationale. They also explain if they had to omit anything that they may have wanted, but could not afford.
- Credit Cards: What does it really cost? Formative: Sample Assessment Item Using age-appropriate sample expensive items (i.e. television, game console, laptops, etc.) students calculate the cost to purchase these items in two different manners: 1) with a credit card using the minimum monthly payment amount; 2) by fitting a set amount of payment into their budgets. Students also calculate the time to pay the purchase in full with the credit card and the time it would take to save the full purchase price.
- Food Budget: Eating at home vs. take out Formative: Personal Project Using online pricing from a grocery store and local take-out menus, students budget their meals for a week. They weigh the merits of eating out versus preparing their own food from a cost perspective.
- Where does the money go? Diagnostic: Self Assessment Brainstorm a list of items that you spend money on each week. In a separate column, list the items that impact your life that your parents spend money on each week. Share with a partner and/or the class to create a master list of monthly expenses.

Activities

- Brainstorm/share possible fixed costs and purchases required each month.
- Interview parents to inquire about financial responsibilities.
- Investigate how much items purchased on a credit card actually cost and explore different scenarios based on the time someone takes to pay off credit card purchases.
- Think-Pair-Share: What are the benefits of saving money? What types of items would you need savings to purchase?
- Research various types of savings accounts and the benefits of each.
- Create a food budget for the week and compare pricing between grocery stores and restaurants.
- Create a comprehensive monthly budget and explain reasoning for including various items while leaving other items out of the budget.

Activities to Differentiate Instruction

- Provide a graphic organizer for constructing a budget.

- Allow the use of a calculator for math problems.
- Assist students one-on-one with difficult mathematical concepts.
- Students work at their own pace on personal projects.
- Students maintain a personal interest in the material because of the individual nature of the projects.

Integrated/Cross-Disciplinary Instruction

Seek the assistance of the math teacher for help in calculations and teaching concepts such as interest and percentages.

Resources

- Shoprite website: http://www.shoprite.com/
- Wegmans website: http://www.wegmans.com/
- Find a place to live: http://www.apartments.com/

Shoprite: Create a grocery list online or find pricing for groceries

Wegmans: Create a grocery list

Find a place to live