

Unit Three - Budgeting

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 1**
Length: **4 weeks**
Status: **Published**

Summary

The Financial Literacy course is designed to provide students with a foundational understanding of fundamental financial concepts, develop students' practical and money management skills, and instill a sense of financial responsibility and sound decision-making. The course aims to equip students with the knowledge and skills needed to make informed and responsible financial decisions throughout their lives, fostering confidence in navigating real-world financial scenarios.

The unit underscores the significance of budgeting as a lifelong skill essential to personal and economic well-being. Through interactive lessons, students learn to construct and analyze budgets tailored to their individual circumstances, fostering a deep understanding of income, expenses, and savings. The unit not only equips students with practical tools for effective financial planning but also instills a sense of empowerment as they recognize the role budgeting plays in achieving their short-term goals and long-term aspirations. Ultimately, the unit aims to empower students with the knowledge and skills necessary for making informed financial decisions, thereby setting them on a path toward financial security and success in their future lives.

Students in Business Management and Information Systems classes develop skills that are intended to give them a competitive advantage in the workplace. Through the study of core business topics and current events, this curriculum encourages students to refine their speaking and listening skills, collaborate with their peers, and explore and research potential career paths.

This course fulfills the 2.5 credits in financial literacy coursework required by both Cranford High School and the state of New Jersey for graduation.

Revision Date: July 2020

Standards

This unit is aligned to the English Language Development (ELD) standards for kindergarten through grade 12 since multilingual learners develop content and language concurrently, with academic content in a classroom where the language of instruction is English. As a result, language learning and language as a means for learning academic content are interchangeable. The following ELD standards are relevant for this unit and course of study:

- Standard 1: Language for Social and Instructional Purposes: English language learners communicate

for social and instructional purposes within the school setting.

LA.WHST.11-12.9	Draw evidence from informational texts to support analysis, reflection, and research.
PFL.9.1.12.FI.2	Explain ways to manage your accounts that maximize benefits and provide you with the utmost protection.
PFL.9.1.12.FI.3	Develop a plan that uses the services of various financial institutions to prepare for long term personal and family goals (e.g., college, retirement).
PFL.9.1.12.FI.4	Research benefits and drawbacks of products offered by financial and non-financial companies (e.g., banks, credit unions, check-cashing stores, product warranty insurance).
PFL.9.1.12.PB.3	Design a personal budget that will help you reach your long-term and short-term financial goals.
PFL.9.1.12.PB.4	Explain how you would revise your budget to accommodate changing circumstances.
PFL.9.1.12.PB.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
PFL.9.1.12.PB.6	Describe and calculate interest and fees that are applied to various forms of spending, debt and saving.
WRK.9.1.2.CAP.1	Make a list of different types of jobs and describe the skills associated with each job.
TECH.9.4.12.CI.1	Demonstrate the ability to reflect, analyze, and use creative skills and ideas (e.g., 1.1.12prof.CR3a).
TECH.9.4.12.CI.2	Identify career pathways that highlight personal talents, skills, and abilities (e.g., 1.4.12prof.CR2b, 2.2.12.LF.8). A budget may need to be modified as an individual's career, financial goals (e.g., education, home ownership, retirement), and/or other life situations change. Philanthropic, charitable, and entrepreneurial organizations play distinctly different but vitally important roles in supporting the interests of local and global communities.

Essential Questions and Enduring Understandings

Essential Questions:

- How does budgeting contribute to financial well-being and responsible money management?
- What are the key components of an effective budget, and how do they help individuals and households achieve their financial goals?
- In what ways can external factors, such as economic conditions or lifestyle changes, impact budgeting strategies, and how can individuals adapt their budgets accordingly?

Enduring Understandings:

- Budgeting is a proactive and strategic financial tool that empowers individuals to take control of their finances, plan for the future, and achieve their financial objectives.
- A successful budget is built on a foundation of informed decision-making, encompassing a clear understanding of income, expenses, savings, and the ability to prioritize needs and wants.

Objectives

Students will know:

- The fundamental principles of budgeting, including income, expenses, savings, and tracking financial transactions.
- Different types of budgets and their purposes, such as personal budgets, household budgets, and project budgets.
- The importance of setting realistic financial goals and how budgeting can help in achieving them.
- Common financial terms and concepts related to budgeting, such as fixed and variable expenses, discretionary spending, and emergency funds.
- Strategies for effective budgeting, including prioritizing needs over wants and making informed financial decisions.

Students will be skilled at:

- Creating and maintaining a personal budget tailored to their income, expenses, and financial goals.
- Analyzing spending patterns and identifying areas for potential cost-cutting or increased savings.
- Utilizing budgeting tools and technologies to manage finances efficiently, such as budgeting apps or spreadsheet software.
- Making informed financial decisions based on a thorough understanding of the budgeting process.
- Communicating effectively about financial matters, including discussing budgeting strategies with peers or family members.
- Adapting their budgets to changing circumstances or unexpected financial challenges.
- Reflecting on their financial habits and continuously improving their budgeting skills to achieve long-term financial well-being.

Learning Plan

The learning plan for this unit includes, but is not limited to the following:

- I. Use Next Gen Financial Literacy Question of the Day as a hook to initiate student interest and discussion.
- II. Pair/share activity: students analyze a “Data Crunch” to analyze household spending patterns. <https://docs.google.com/document/d/1b8X0QteKIt3ZtE76z6zI4Wb8tNJt4cLutGOMAIMm7xU/edit>
- III. Show video, “What is Wealth” (<https://www.youtube.com/watch?v=RMr504P0GPM>). Lead a discussion to determine if owning a lot of “stuff” equals wealth. What does “wealth” look like?
- IV. Have students read the article, “Six Reasons Why You Need a Budget” (<https://www.investopedia.com/financial-edge/1109/6-reasons-why-you-need-a-budget.aspx>). Have students share their ideas what are the most and least important reasons for creating a budget.

- V. Pair/share activity: wants vs. needs, and how can we tell the difference?
<https://docs.google.com/document/d/1IJX7ofJgpxa9x9FAhGK6UgmxKUSxSqH511iu2PKSAU/edit?usp=sharing>
- VI. Review of a previously used pay stub to introduce the concept of the 50-20-30 rule. In teams, have students calculate these numbers for spending and saving.
- VII. Allow students to visit BLS.gov to research strategies for selecting a career. Students can then use this site to research and create a short slide show highlighting a possible career of his/her interest. Students will share their careers, education needed, and income potential.
- VIII. Using their career choice, students will create a salary-based budget
(https://docs.google.com/presentation/d/1BrZ6ymAb-2iNoG5dhKL_Aer9wLdyLKM2b4Z9QcNgHTU/edit#slide=id.g44b551e331_974_0). This may be done either individually or group students by similar career choices to work together.
- IX. Have students read the article, “Where Should I Live?” <https://www.moneycrashers.com/where-should-i-live-decide-best-places/> Pair/share - What was most relevant to you? Share with the class.
- X. Research activity - Find an Apartment
<https://docs.google.com/document/d/1EBVRLaUyKxJtAxLmNb53tVck5cm0YEdv0iJLj-xIc7o/edit>
- XI. Show the V=video: “Do These 9 Things Before Signing a Lease.”
<https://www.youtube.com/watch?v=3MQgO9xTy80> Question/Answer to ensure student understanding of the financial impact when signing a lease.

Note: Other strategies to address the learning objectives may include, but are not limited to direct instruction, self and peer review, think-pair-share activities, creating visual representations film analysis, Socratic seminars, small group discussions, simulations, jigsaw activities, gallery walks, web quests, and/or inquiry or problem based learning projects.

Assessments

When taking a Business course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

Summative Assessments:

- Constructing a Budget activity
- Budgeting Quiz

Formative Assessments:

- Exit tickets, Poll Everywhere Questions, On-going Socratic questioning to check for understanding

Alternative Assessments:

- Budgeting Strategies Case Study (Students will apply knowledge to determine if the budget is logical).

Benchmark Assessment:

- Analyzing and creating a budget

Materials

The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available. In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: [Core Book List](#)

Additional approved resources include:

[A Salary-Based Budget](#)

[Budgeting with Roommates](#)

[Build Your Budget](#)

[Monthly Cost of Car Ownership](#)

[Inflation, Spending, and Wages](#)

[Needs vs. Wants](#)

[Living Paycheck to Paycheck](#)

Budgeting Online Tools and Apps

CASE STUDY: How Do I Budget?

CASE STUDY: Budget or Bust?

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

Accommodations

This link includes content specific accommodations and modifications for all populations:

<https://docs.google.com/spreadsheets/d/1g8M7CZ5VVwvFk2Ay9DZbjdewOYDyNOzpNeEBgSXPvr0/edit?usp=sharing>

These additional strategies are helpful when learning Business Management and Information Systems content and skills:

- Highlighter for close reading and annotation strategies
- Bolded terms in directions
- Reading texts aloud for students to assist in comprehension and analysis
- Providing opportunities for text-to-speech for written responses.
- Using visual presentations of all materials and including graphic organizers when possible.