

STUDENT LEARNING PLAN
Lesson 1-4: Spending Plan



OVERVIEW

You've analyzed what you've been spending money on and set some SMART goals to strive for. Now, the rubber meets the road and it's time to start making it happen. Your next step is to create the road map that will guide you to your destination: success.

Your map is a spending plan or budget. It should detail exactly how you're going to use your money to pay for the things you want. An effective spending plan not only multiplies your chances of success, it also helps make the journey faster and easier.

In this lesson, you will develop the skills you will need to create an effective spending plan.

LEARNING OUTCOMES

In this lesson you will learn how to create a spending plan. Along the way you will:

- Discuss how a spending plan can help you manage your spending habits.
- Describe what a spending plan is.
- Explain how to use a spending plan.

You will use what you learn to create a plan to guide your spending, particularly for large purchases.

LEARNING TASKS

These tasks match pages 22-31 in Student Guide 1.

__ 1.	Brainstorm a list of tricks stores use to get you to buy things. Think about your experience <i>before</i> you shop as well as when you go <i>into</i> a store. Be sure to include online shopping experiences!
__ 2.	Life happens! There are so many things that happen to us that we don't plan for. Most times, these accidents cost us money. Estimate what a "repair" might cost for incidents that could involve teens.
__ 3.	Determine whether or not Michael and Selena have enough income for their monthly expenses and savings goals. Recommend ways to adjust expenses or income.
__ 4.	Complete Activity 1.7: My Income to list your sources of income. Complete Activity 1.8: My Expenses to classify how you spend your money. Practice creating a spending plan. Make sure that the total expenses don't exceed the total income.
__ 5.	Complete Challenge 1-C: My Spending Plan to create your own spending plan for an event, financial goal, or a month of regular expenses.



EXTENSION

Are you involved with a class or youth group project that involves raising or spending money for a trip or project? Create a spending plan for a class trip or group project.

Start out by setting goals, and then estimate the expected expenses for the trip or project. Use the DECIDE model to identify income options so you can create a realistic spending plan to cover the anticipated expenses.



TAKING IT HOME

What kind of lifestyle do you expect to have in ten years? With an adult, complete the **Jump\$tart Reality Check** to imagine what your budget might be when you live on your own. (www.jumpstart.org/reality-check.html)

The adult can help explain how the different lifestyle choices you make will impact your wallet. That person can also give you a better idea of what items you *need* to have and also let you know what things can cost, such as medical expenses or a pet.

This short activity will let you know roughly how much you would need to earn an hour to afford your lifestyle choices. It will also give you an idea of a career that will support your desired lifestyle. Talk to the adult about how a job can influence lifestyle choices, as well as how lifestyle choices can impact the job you get.