



Financial Literacy: Secondary Budgeting Lesson

Connections to Financial Literacy

Financial literacy knowledge and skills include, but are not limited to:

- understanding needs and wants;
- personal financial planning such as budgeting, saving and investing;
- planning for the future.

TITLE: Where does the money go?
(Introductory Budgeting Lesson)

Grade 11: HIP 3E
Social Sciences and
Humanities

Curriculum Expectations:

Describe how factors such as personal goals, priorities, and needs and wants affect the use of money as a resource.

Learning Goals:

The students will determine where their money goes, how they can control their cash flow and make adjustments to a budget.

Instructional Components and Context

<p>Readiness: Student need to be aware of money as a personal resource that they can control</p> <p>Terminology:</p> <ul style="list-style-type: none"> ▪ Budget ▪ Cash flow ▪ Income ▪ Expenses 	<p>Materials:</p> <ul style="list-style-type: none"> ▪ 2 x 2 sticky notes ▪ Mini white boards and dry erase markers <p>Optional:</p> <ul style="list-style-type: none"> ▪ Internet access ▪ Projector ▪ Lab ▪ Smart Board
<p>Minds On</p> <ul style="list-style-type: none"> ♦ Establishing a positive learning environment ♦ Connecting to prior learning and/or experiences ♦ Setting the context for learning 	<p>Connections</p> <p>Explicitly label:</p> <p> Assessment for learning</p> <p> Assessment as learning</p> <p> Assessment of learning</p> <p> Explicitly identify planned differentiation of content, process, or product based on readiness, interest, or learning</p>
<p>Action!</p> <ul style="list-style-type: none"> ♦ Introducing new learning or extending/reinforcing prior learning ♦ Providing opportunities for practice and application of learning (guided > independent) 	
<p><i>How much money do Canadian teenagers spend every year?</i></p> <p>Use Wallwisher http://www.wallwisher.com/ or Primary Wall http://primarywall.com/ to generate student responses to this question.</p> <p>Non-electronic version – mini white boards and dry erase markers.</p> <p>Four hundred Ontario high school students were surveyed in 2009. Of those surveyed, less than half know how to create a budget (43%) and less than a third (28%) believe they make good spending decisions. While most students believe they have moderate financial literacy, they feel their level of knowledge of specific financial topics like saving and managing debt, the time value of money and building a financial plan is low. While 64% say it's important to understand money management only 38% feel prepared to manage their money after graduation.</p> <p>Four Corners</p> <p>There are quotes from real students posted in 4 corners of the room. These are quotes from a recent financial survey conducted by the Investor Education Fund.</p>	

Students walk around the room and select the quote that best fits their current thinking about their money priorities. In each corner the group discusses why they feel their priorities are reflected in the quote.

*“Paying for my university [college] education. I know it is expensive.”
Grade 9, Male*

*“Having enough money to do the things that I need and want to do without going into debt.”
Grade 11, Female*

*“That I’m not going to be able to find work anywhere and I’ll be one of those 35 year olds flipping burgers to support her kids.”
Grade 12, Female*

*“Getting a good paying job and start saving more money.”
Grade 12, Male*

<http://www.getsmarteraboutmoney.ca/Investor-research/Documents/ief-youth-financial-literacy-landscape.pdf>

Determining how we spend our money and what our financial priorities are.

(This task can be completed with paper/pencils/tape, 2x2 sticky notes or electronically using a Smart board)

Whole Class

Give each student 7 small squares of paper

Ask them to individually write on piece of paper something that they have spent money on in the last 7 days. Each piece should have a different type of spending (i.e., T-shirt, gas, burger, video game, video rental, etc. NOT 7 trips to MacDonalads)

Groups of 4

Break into groups of 4 –

As a group discuss the types of spending your members spent money on in the last week.

Whole class

One student from each group comes up to the white board and sticks on one of their groups squares. The teacher monitors the addition of new squares to the board.

The next person either sticks their square beside the one already there (if it is the same type of purchase, i.e., Fast Food). If it is a different category of spending, place it below the first category. Once the first squares are posted, other students can come up and add their squares – the goal is to

create a very visual/kinesthetic bar graph in the classroom.

Very quickly the students will be able to see where they spend their money. They will start to generate categories and decide when new categories need to be created. This is an excellent way for kinesthetic learners to see the

class data. 

Usual categories are:

- Food
- Meals out/Fast Food
- Clothing
- Electronics
- Entertainment
- Transportation/Gas
- Going out
- Alcohol
- Cigarettes

Students can figure out the percentages for their class.

How does our spending compare with provincial or national statistics?

Use Statistics Canada information to compare.

Use pennySaver from <http://www.getsmarteraboutmoney.ca/education-programs/for-teachers/curriculum-tools/multimedia-resources/Documents/pennySaver/index.html> to produce draft budgets.

Consolidation

- ♦ Providing opportunities for consolidation and reflection
- ♦ Helping students demonstrate what they have learned

Full class discussion:

How did our spending compare with the provincial or national information that we found?
(use Statistics Canada data if available)

Exit Card

Today I was surprised to learn that my class spends money on:

If I want to save money I could:

or

Verbally provide responses to the teacher. 

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