Grade Level	Content Area	Course Title	Unit Title
12th Grade	Mathematics	Math 4	Where Is My Money Going?

Length of Unit	Time of Year Taught	Expected Prior Knowledge
Five 60-90 minute class sessions	1st Quarter	MHS-S1C3-PO2. Use estimation to determine the reasonableness of a solution. Students will know how to add and subtract integers. Students will know how to use the Internet to find information.

Unit Description
In context of preparing for independence and post-secondary education, students will develop a personal budget by analyzing models of personal spending and saving.

Strands, Concepts, and POs	MCWR-S3C4-PO9. Develop a personal budget including debit, checking, and savings accounts by interpreting multiple personal budget examples.
Summative Assessment	Students will demonstrate synthesis of models of personal savings and spending by creating a personal budget.
Assessment Scoring	Students will be scored using a 6-point Personal Budget Rubric
Materials/Resources Needed	Handouts: Planning to Save, Priorities and Budget Making, Personal Budget Assessment; PowerPoint presentation Budget & Record Keeping; The Game of LIFE (1 board game for per group of 4); projector, Internet, newspapers and/or other sources of current living costs

	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5
PO Focus	MCWR-S3C4-PO9	MCWR-S3C4-PO9	MCWR-S3C4-PO9	MCWR-S3C4-PO9	MCWR-S3C4-PO9
Lesson/ Instruction	**Objective:** Describe the purpose of a personal budget and define/identify parts of a budget. **Bell assignment:** "Planning to Save" Worksheet **Discussion:** Where does your money come from? How much do you spend each day? In a month? What expenses repeat each month? What spending is unexpected? Do you have money to pay for those unexpected expenses? Do you need to save money for college? Explain that it takes planning to live within your earnings/means.	**Objective:** List and apply the steps to preparing a realistic budget. **Bell assignment:** KWL chart about personal budgets **Show PowerPoint** "Budget and Record Keeping" and instruct students to take notes.	**Objective:** Evaluate how priorities affect personal budgets. **Bell assignment:** What are your priorities for your money in the present? In the future? **Discussion:** How do your priorities impact your budgeting? To what extent is saving a priority? What other priorities are necessary to know to create a budget?	**Objective**: Evaluate how priorities affect personal budgets. **Bell assignment:** Evaluate KWL chart from Lesson 2. What has changed? **Think/Pair/Share:** What have you learned? What do you still want to know? What skills do you need to develop?	**Objective:** Demonstrate mastery of concepts by creating a personal budget. Distribute and review the assessment and rubric.

	Lesson 1	**Lesson 2**	**Lesson 3**	**Lesson 4**	**Lesson 5**
Student Activity	Students play "The Game of LIFE" and record each transaction that occurs for every round of the game. **Discussion:** What is income? What is an expense? Students organize their transactions from the game into income and expenses. Students journal an answer to the following: What is the purpose of a personal budget and what are the main parts to a budget?	Pairs of students list the steps to creating a budget. Pairs create a sample budget using the PowerPoint example as a guide and numbers given by the teacher.	Students begin "Priorities and Budget Making" Activity by reading online article. Students write a journal entry to record their personal priorities.	Students complete "Priorities and Budget Making" Students group in teams of three to discuss individual responses. **Discussion:** Groups share out main points they discussed.	Students complete assessment. (Students may use resources to verify reasonable costs for various budget items.)

Name_____

PLANNING TO SAVE

Think about your long-term goals for after high school. They might involve going to college, buying a car and a house, and even raising a family. Whatever your plan is, it probably involves saving money. Saving for the future involves a lot of planning ahead in order to make sure you have the savings available when you need and want funds.

Nicolas plans on purchasing a car. He would like to save $100 per month in order to have enough savings for the purchase. You can see Nicolas' income and spending from the past month in the chart below. Use this information to answer the questions that follow.

Nicolas's Budget from Last Month			
Income		**Expenses**	
Wages after taxes	$2410.00	Rent	$350.00
Interest Earned	$ 8.52	Utilities	$142.11
		Food	$287.58
		Clothing	$128.33
		Transportation	$414.29
		Loan Payments	$415.00
		Entertainment	$125.98
		Insurance	$239.53
		Other	$275.77

1. How much was Nicolas's income? *$2,418.52*

2. How much did Nicolas spend? *$2,378.59*

3. Can Nicolas save $100 per month?

No. There is only $39.93 left at the end of each month

4. Which types of spending could Nicolas adjust? Not adjust?

Adjustable: Utilities, Food, Clothing, Entertainment, Other
Not Adjustable: Rent, Transportation, Loan Payments, Insurance

5. What recommendations could you make to Nicolas to help him reach his goals?

Students' answers will vary.

6. Based on your recommendations, how long will it take Nicolas to save $1200?

Students' answers will vary.

Budgeting and Record Keeping

Importance of Financial Planning

Do you have unlimited resources to buy all the things you want?

Importance of Financial Planning

- To achieve financial success you will have to plan and work for it.
- **Budgeting** and maintaining **Financial Records** are a significant part of financial planning.
- The first step is **Budgeting**.

Budget

- A **budget** is a spending and saving plan based on your expected income and expenses.
- In a budget, money coming in (**income** plus borrowing) must equal money going out (**expenses** plus saving)

- A budget must **balance**.

Preparing A Budget

- **Step 1:** Estimate your total expected income for a certain period of time.
- **Step 2:** Determine how much of your income you want to save to set aside for future need. (Follow the "PYF" - *Pay Yourself First* principal and save 10%)

Preparing A Budget

- **Step 3:** Estimate what expenses you have each month.
- **Step 4:** Balance your budget
  - If your expenses plus savings exceed your income, you will need to adjust your plan to make them match.

Monthly Budget for April

INCOME (REVENUE)	
Work	$320.00
Allowance for chores	$ 20.00
Lunch Money	$ 40.00
TOTAL INCOME	$380.00
EXPENSES	
Daily Lunches	$ 80.00
Supplies	$ 20.00
Snacks	$ 40.00
Entertainment (movies & golf)	$140.00
TOTAL EXPENSES	$280.00
SAVINGS	
To McCook National Bank	$100.00
TOTAL EXPENSES PLUS SAVINGS	$380.00

Types of Expenses

- **Fixed expenses** are costs you are obligated to pay at specific times, regardless of other events.
  - Examples:
    1. **Rent**
    2. **Car Loan**
    3. **Insurance Premiums**

Types of Expenses

- **Variable expenses** are costs that vary in amount and type, depending on events and the choices you make.
  - Examples:
    - **Food Bill**
    - **Entertainment**
    - **Buying Clothes**

Monthly & Yearly Budget For A Married Couple

Refer to Martin & Chloe's Budget Excel Spreadsheet File "Married Couple Monthly & Yearly Budget.xls"

Resources

- PowerPoint created using information from Ch 8 Budgets and Financial Records, "*Managing Your Personal Finances*," 5th Edition, by Ryan; © 2006, Thomson South-Western
- Slides designed by Lisa Fox, Hitchcock County High School Business Teacher, Trenton, NE

Name_____

Priorities and Budget Making

Answer the questions below on your own paper.

1. Read the article at http://www.studentfinancedomain.com/budgets/student_budget_plan.aspx

2. Use the reading and your own prior knowledge to list all expenses you will need to consider during your first year in college.

3. Look at your list above. What are your priorities? Why?

Use the graph below to answer questions 4-7.

EXAMPLE MONTHLY BUDGET

Category	Monthly Budget Amount	Actual Amount	Difference
INCOME:			
Wages/Income	$876	$814	$62
Interest Income	$228	$192	$36
INCOME SUBTOTAL	**$1,104**	**$1,006**	**$98**
EXPENSES:			
Taxes	$387	$398	($11)
Rent	$299	$240	$59
Utilities	$100	$96	$4
Groceries/Food	$120	$99	$21
Clothing	$65	$59	$6
Shopping	$54	$45	$9
Entertainment	$45	$45	$0
Miscellaneous/Other	$34	$30	$4
EXPENSES SUBTOTAL	**$1,104**	**$1,012**	**$92**
NET INCOME (Income - Expenses)	**$0**	**($6)**	

4. What is missing compared to your priorities?

5. Using your own experiences, the Internet, or personal research, are these amounts reasonable?

6. This budget does not account for savings. Experts agree you should tend to save *at least* 10 to 20% of your income. If 20% of this budget is allocated to a savings account, how much would you save each month? After a year?

7. Rewrite the budget to include a 20% allocation to savings. Remember to differentiate between wants and needs in order to make sure you are taking money from appropriate expenses. You may add expenses as you deemed necessary in question 3.

8. Explain why your budget in question 7 is realistic. What other sources of income could you draw from or expenses would you need to eliminate to make the budget reasonable?

9. What should you do if an emergency comes arises and you need to spend $500 immediately?

10. What have you learned about budgeting so far this week? What do you still want to learn?

Personal Budget Assessment

You are on your own now! You have a job earning $1200 a month, and need to decide where all that money will go. Create a monthly budget that follows the criterion below.

Your budget must include *at least* the items below, or include an explanation for why an expense is missing. Remember, you may not live at home, but you may consider sharing expenses with a roommate. You must save at least 10% of your income.

HOUSING
Rent
Gas/Electric
Water/Sewage (usually provided in apartments)
Garbage (usually provided in apartments)
Renter's Insurance
Telephone/Cellular Telephone

PERSONAL
Food
Clothing
Entertainment (cable, etc.)
Savings
Health Insurance
Miscellaneous Items

TRANSPORTATION
Car Payment
Gas/Maintenance
Car Insurance

Total Income
Total Expenses
Net Income

Your assessment will be scored using the attached rubric.

Student Name: _____

PERSONAL BUDGET
Scoring Guide and Rubric
Expository Essay
Where is My Money Going?

OUTCOME: Students will demonstrate synthesis of models of personal savings and spending by creating a personal budget.

	Score			
	F **1-2**	**A** **3**	**M** **4**	**E** **5-6**
Use of Resources	Student does not use resources and previous examples to guide budget	Student uses resources and previous examples minimally to guide budget	Student uses resources and previous examples to guide budget	Student uses resources and previous examples to expand on
Completion	Student completes 50% or less of the budget.	Student is able to complete 70% of the budget.	Student is able to complete 100% of the budget.	Student is able to complete all budget items and adds in own necessary needs.
Reasonableness	Budget is not reasonable.	Budget is mostly reasonable.	Budget is reasonable.	Budget is reasonable and realistic.
Accuracy	Many calculations are missing or all of the calculations are below 70% accurate.	Calculations are between 70 and 85% accurate	Calculations are included and at least 85% accurate.	Calculations are at least 95% accurate.
Organization	Not easy to understand.	Mostly easy to understand.	Easy to understand.	Clear and Concise

FINAL SCORE: _____/6_____

Scores are awarded percentages:
6 = 100%
5 = 90%
4 = 80%
3 = 70%
2 = 60%
1 = 50%