

Section 2—Financial Basics

Title of Lesson/Subject: Budgeting

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Contact Information

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Time Allotment: 4 - 45 minute class periods, 1 - 1 hour field trip

Grade Level or Target Audience: 3rd grade

ND Standards Competencies: 4.3.1 Understand the relationship between supply and demand

Key Economic Concepts: Wants vs. Needs, Budgeting

Brief Description: The third grade students will supply a family with a Christmas dinner through monetary donations on a budget designed and followed them. The students will then create their own personal budget.

Learner Objectives: Students will create a budget to track money spent at a grocery store. Students will evaluate the use of a budget and relate it to their own lives.

Lesson Outline/Introduction:

Materials Needed:

Monetary donations

Current flyers for grocery stores

Field trip permission / transportation

Budget record keeper (for each child and on an overhead)

Contact with Social Services for the number of family members in a family in need

Audio/Visual Equipment Needed: Overhead projector, chalkboard

Resources:

Practical Money Skills for Life <http://www.practicalmoneyskills.com/index.php>

Dictionary for terms <http://www.investopedia.com/dictionary/>

Activities:

1. Discuss the importance of needs with students; food is a need. Create a list of foods needed for a Thanksgiving or Christmas dinner. Go through grocery store fliers and price the foods list. Try to find two different stores prices for each food item.
2. Discuss the meaning of the word budget. Create a budget based on the figures of how much money may be spent on meat, potatoes & stuffing, vegetables, beverages, condiments, relishes, and desert. Use the Amount of money available to revise the budget within the amount of money available.
3. Take the students on a shopping field trip to purchase the meal. Do comparison shopping at the store to find brands within the budget.

4. Compare budget amounts to the amount of money spent. See where the budget was met, overspent, or underspent.
5. **Follow Up:**
Discuss how a budget can be similar to other life experiences with money (income) and bills (expenses). Have students create a budget for themselves over a day or week.

Evaluation Plan:

Evaluate based on the final discussion. Were students able to understand and follow their budget? Could students compare their budget to their actual costs? Could students relate a budget to their experiences and their lives? Could students create a weekly budget for themselves?