

Section 2—Financial Basics

Title of Lesson/Subject: The “Real World”

Prepared by: Kim Murphy

Contact Information

E-mail address: Kim.Murphy@sendit.nodak.edu **Phone:** 701-575-4275 (work)
701-866-7813 (cell)

Time Allotment: (4) 50 minute class periods and run it as long as you like after that.

Grade Level or Target Audience: 11-12 grade

ND Standards Competencies:

- Agriculture Business Management 1.1.7 Identify sources of credit.
- Agriculture Business Management 3.1.1 Define terms associated with record keeping.
- Agriculture Business Management 3.1.3 Explain expenses, income, assets, liabilities, etc.
- Agriculture Business Management 3.1.5 Use records to complete a balance sheet and determine net worth.
- Agriculture Business Management 3.1.6 Use computers to maintain records.
- Library/Technology Literacy 12.1.6 Present research
- Library/Technology Literacy 12.1.7 Evaluate the research process
- Mathematics 11-12.1.7 Add, subtract, and multiply complex numbers

Key Economic Concepts:

The reality of income and expenses while learning to manage a check book and savings account. (Job exploration is the introduction.)

Brief Description:

The importance of managing your money well and getting a good job.

Learner Objectives:

- Explore careers.
- Manage expenses and income.
- Begin a budget.
- Balance and manage a checkbook
- Reconcile checkbook with bank statement
- Discover investments/savings options
- Realize life skills in decision making

Introduction:

How many of you have thought about what you want to do when you finish High School? (list plans on the board) What kind of place do you plan to live in? What kind of car/truck to you plan to have? (list these on the board also) How much do you suppose the insurance is on these vehicles? What about health insurance? What about car repairs and ...

Lesson Outline:

Begin by giving the students a day or two to look up information on jobs that they're interested in on the internet and newspapers. They are to then write up a page paper on what kind of job, working conditions, education requirements, locations opportunities, average salary, with or with out benefits, etc.

After they have picked a career, I determine a reasonable average wage for each student. They will get their own checks and will have a regular payday every week (to simulate a monthly paycheck). They will

then figure out their monthly bills by using a percentage system. Rent will be 15% of their take home pay, Utilities _____%, Heat _____%, and Auto Insurance _____%. Health Insurance will be \$200 a month also. Taxes will be taken out of each check also to make them realize the significance of that. They will need to balance their checkbooks and put money into a savings account every payday. They will also have to draw unexpected expenses/incomes out of a hat every payday (such as: buying your date's meal and paying for the movie-\$50 or your car broke down- repair bill of \$150, or it was your birthday you got \$100 from grandma!)

During this unit, have guest speakers in to talk about their jobs along with financial reps to talk about checking options and savings and investments all while learning about budgeting and balance sheets. At the end of the unit I would have a small auction so they have something to look forward to and a small reward for managing their money well.

Resources:

- National FFA SAE Book (for financial forms)
- Copies of a clean check book ledger
- Local bank for checks

Activities:

- Selecting and choosing careers and automobiles.
- Payday
- Auction

Application/Assignment:

- Research careers
- Calculating costs
- Paying bills and balancing checkbook
- Starting a budget
- Notes on budgets and balance sheets

Evaluation Plan:

Make up a spread sheet for each student to enter their checks into and use this as a bank statement that they need to make sure they balance with the bank. Have them fill out a budget for their school project and give them checks and bills to pay and they then have to balance that account. Also, have them identify wants and needs from a list of items with a rationale for each.