

MAKING A BUDGET

Lesson Length: 1.75 hours + Extension Activity

Vocabulary & Expressions: Budget, categories, emergency savings, food, groceries, housing, rent, mortgage, utilities, water, electricity, internet, miscellaneous, income, expenses, insurance, fixed, variable

Language/Culture Point: Fixed categories vs. Variable categories

Objective: Students will be able to talk about and create a budget for a household

Materials: Red, green, and yellow Signal Cards, Budget Scenario Cards, blank budget worksheets, *notes, coupons, etc. students bring in to share*



STEP 1: ACTIVATE BACKGROUND KNOWLEDGE

Time Frame	Materials	Teaching Strategies
10 minutes		- Mind Mapping

TEACHING ACTIVITY

1. Write the word budget on the board, and ask students what they know about budgets. You can ask questions such as: What is a budget? Do you have a budget? Why is a budget important? What categories do you put in a budget?
2. Then, create another mindmap next to the original with “budget categories” in the middle. Ask students which categories they need to include in a budget and add these to the mind map.

STEP 2: MINI-PRESENTATION WITH PROMPT

Time Frame	Materials	Teaching Strategies
10 minutes		- Graphic Organizers - Think Aloud

TEACHING ACTIVITY

1. Draw a large example budget on the board. To save time during class, draw this before students arrive and cover it up with large piece paper until you are ready to use it.
2. Using the example budget, conduct a Think Aloud about your income and your budget.

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For example:

I have a budget because it is important to not spend more money than I have. I want to make sure I have enough money for things that I need, like housing and food, before I spend money on things that I don't need, like going to the movies. I make \$2,000 a month. First I have to budget my fixed categories. My rent is \$800, my insurance is \$200, and my utilities are \$200. My utilities include water, which is \$100, electricity, which is \$50, and trash removal, which is \$50. My internet is also fixed at \$100. Then I can budget for my variable categories. I usually spend about \$400 on groceries, so that's what I'll put here. That leaves me with \$400 to buy gas for my car, clothes for me and my kids, a little for entertainment, and to save some for emergencies. So, I think I'll budget \$100 for gas, \$50 each for clothes and entertainment, and \$200 for savings. I know that I don't need a budget category for clothes and entertainment, but I want to make it work for me!

- Review the Think Aloud and the budget, pointing to each category as you mention it.

STEP 3: DISCUSSION AND COMPREHENSION CHECK

Time Frame	Materials	Teaching Strategies
10 minutes	- Red, green, and yellow Signal Cards	- Signal Cards - True/False Quiz

TEACHING ACTIVITY

- Make a series of true/false statements about the Think Aloud and the budget. Have students use their Signal Cards to indicate True/False/I don't know.

STEP 4: HIGHLIGHT LESSON FOCUS AND MODEL TASK

Time Frame	Materials	Teaching Strategies
15 minutes		- Think Aloud - Problem Solving

TEACHING ACTIVITY

- Tell students that today we are going to work together to make a budget.
- Use the budget form on the board from step 2, but erase the specifics so that you can create a new budget with a new scenario.

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- Using the budget scenario below, walk through the process of creating your budget. Think Aloud about why you have chosen each category or why you have NOT choose a category. As you conduct the Think Aloud, fill in each portion. An example is below the scenario.


Budget Scenario: You are single and just got a new job and a new apartment. You make \$1,600 a month. You need to save for emergencies and you want to go to the movies every Friday. Your fixed categories are: Rent, \$700; Insurance, \$200; Utilities, \$150.

“Ok, I just got a new job and a new apartment. I need to make a new budget so I can make sure I don’t spend too much money. I will make \$1,600 each month. I need to pay my rent, which is \$700, my insurance, which is \$200, and my utilities, which are \$150 - which includes \$50 each for water, electricity and trash removal. I also pay \$100 each month for my smart phone. It is important to me to save money for emergencies and other things I want to buy in the future, so I am going to save \$200 a month. I want a category for entertainment and shopping, so I will put \$150 in that category. And I’m going to put \$200 in a category for travel!”

- Take a few minutes to do a Think Aloud review of the budget, adding up the total expenses. Suddenly you realize that you have overspent! What are you going to do? Think Aloud about how you will fix your budget. For Example:

“Oh no! I’ve budgeted \$100 more than I make! I need to make some changes. It looks like I’ll have to take some money out of my travel budget so I can cover some of my fixed expenses.”

STEP 5: GUIDED PRACTICE

Time Frame	Materials	Teaching Strategies
15 minutes	- Budget Scenario Cards 	<ul style="list-style-type: none"> - Graphic Organizers - Scenario Cards - Problem Solving



TEACHING ACTIVITY

- Choose a strong student to pick a card from the pile.
- Using a blank budget on the white board, ask for a student volunteer to write the amounts into each category as another student reads the scenario aloud.

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3. Then, ask the class what they think about the budget. Did this person overspend? If so, what can they change so that they do not spend too much money?
4. Work with the students to fix the budget. Allow several changes to make the budget work so that students see there is more than one option. Allow time for students to discuss why they made certain changes.

STEP 6: PAIR OR SMALL GROUP WORK

Time Frame	Materials	Teaching Strategies
30 minutes	<ul style="list-style-type: none"> - Blank budget worksheets  - Budget Scenario Cards  	<ul style="list-style-type: none"> - Graphic Organizers - Problem Solving - Scenario Cards

TEACHING ACTIVITY

1. Put students in groups of 2-3. Give each group several copies of the blank budget worksheets and a Budget Scenario Card.
2. Students should first work together to fill out the budget for the scenario. When the budget is finished, the students should determine if they have overspent.
3. Then, have the group work together to change the budget. They can use the blank budgets to create alternative budgets for the scenario in which there is no overspending.
4. As groups finish, give them another Budget Scenario Card and additional copies of the blank budget.
5. Once each group has gotten through at least one scenario, have the groups share a scenario and budget with the class. Have them share their alternative budget(s) and why they made the changes they did.

STEP 7: HIGHLIGHT HOW ENGLISH WORKS

Time Frame	Materials	Teaching Strategies
10 minutes		- Graphic Organizer


TEACHING ACTIVITY

1. Make two columns on the board. Label one column “Fixed” and the other “Variable.”

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2. Explain to students that there are some budget categories that are fixed, like rent and utilities, while others are variable, like groceries or entertainment. Write these categories in the appropriate column as you mention them.
3. Then ask students which categories they would put in each column. Fill each column with the categories based on the students' responses. Some categories may go in each column depending on students' lives (for example, many apartments include utilities with rent and it is fixed, while others may live in a house and can cut down their utilities by how much they use the air conditioner in the summer).
4. After filling out the "Variables column," allow students around 5 minutes to share how they keep those variable categories as low as possible. For example, some may share about where they find coupons for groceries, or a cheaper phone service provider. There will be time in the extension activity for students to share more in depth about their cost cutting strategies.

STEP 8: QUICK CHECK AND REVIEW

Time Frame	Materials	Teaching Strategies
10 minutes	- Budget Scenario Cards 	- Scenario Cards - Ball Toss

TEACHING ACTIVITY

1. Have students stand in a circle. Read one Budget Scenario from earlier in the lesson. Toss the ball to one student and ask them a question about the scenario. For example, "What are your fixed categories? What are your variable categories? How much will you budget for (category)?"
2. After the student answers, they will toss the ball to another student. The teacher will then ask that student another question about the scenario.
3. Continue until each student has answered at least one question.
4. Stop and choose another scenario as needed, read it to the students, then continue with the ball toss.



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EXTENSION ACTIVITY: BUDGETING TIPS AND TRICKS

Time Frame	Materials	Teaching Strategies
Varies	- Notes, coupons, etc. students bring in to share	- Authentic Materials - Graphic Organizer

TEACHING ACTIVITY

1. At the end of the previous class, ask students to take some time at home think about all of their budget categories, such as rent, utilities, insurance, food, etc., and make a list about how they save money in each category. Students can bring to class any notes, coupons, referrals, etc. for businesses they use to save money. This could be grocery coupons (or an example flyer with weekly discounts), a referral for \$X off the first month of subscription, information for a specific business that has lower rates, etc.
2. To start the class, make a chart on the board with all the different budget categories.
3. Have students share tips and information on how they save money in each category. If they have notes, coupons, etc., have the students show them to the rest of the class. Write the tips and information next to each category as they share. Students can share any budgeting tips that they have.