



What Is a Budget? | Lesson Plan

What is a budget and how do I make one?

Students learn why budgeting is important, what a budget is, and the four steps to making one for themselves.

Learning Objectives:

- Identify what a budget is and explain why budgeting is important.
- Define key terms associated with budgeting.
- Explore the different components of making a budget.
- Differentiate between needs and wants for budgeting purposes.
- Create a personal budget.

Key Vocabulary:

- **Budget:** A plan that tracks money earned, spent, and saved.
- **Savings:** Amount of money set aside for future expenses.
- **Income:** Total of all money earned in a given period of time.
- **Needs:** Things that are absolutely necessary.
- **Wants:** Things that are enjoyed but not essential.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6, CCSS.MP1, CCSS.MP4, CCSS.MP5

Academic Subject Areas: Financial Literacy, Life Skills, Money

What You'll Need

- Video: *Ca\$h Cour\$e: What is a Budget?* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: What is a Budget?* (Click [Here](#))
- An image of a colorful, enticing amusement park
- Whiteboard and dry-erase markers
- Student whiteboards, notebooks, or pieces of paper

Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Begin by projecting an image of a colorful, enticing amusement park on the classroom screen or board. Tell the students to imagine a day at this incredible amusement park with thrilling rides, games, and mouthwatering snacks.
2. Ask them a series of questions to spark their imagination and engage them in discussion:
 - Who would you like to accompany you to this amusement park?



- What rides or attractions would you want to experience?
 - Would you indulge in some tasty treats while you're there?
3. After allowing a few students to share their enthusiastic responses, discuss the reality of visiting this amusement park.
 4. Tickets, food, games, and souvenirs all cost money. Have them imagine having \$100 to spend during their day at the park. What would they prioritize spending their money on? What would they need to consider when making these choices?
 5. Introduce the concept of a budget. Ask students to share their prior knowledge.
 6. Encourage students to consider budgeting their money wisely, even when faced with exciting opportunities. This will help set the stage for the lesson on budgeting, showing them that financial decisions are a part of everyday life, just like planning a trip to an amusement park.

Watch, Complete, Discuss: (25 mins.)

1. Show *Ca\$h Cour\$e: What is a Budget?* as a resource to learn about budgeting. Encourage students to pay attention to the different aspects of budgets presented in the video.
2. Draw a pie chart on the board immediately after the video. Divide the chart into sections for "needs," "wants," and "savings," and have students directly apply what they've learned from the video. Discuss how each category fits into a balanced budget.

Wrap-Up: (15 mins.)

1. Distribute the "Ca\$h Cour\$e: What is a Budget? Worksheet," which can be collected as a formative assessment. As students work through it, independently or with a partner/in a small group, foster a class discussion where they can share their answers, ask questions, and clarify doubts.
 - Provide a hypothetical monthly income for the worksheet's application section, or let students use their personal financial numbers for a realistic touch.
2. Conclude with a discussion on practical applications of budgeting. Topics can include the right age to start budgeting and how students can develop their personal budgets, applying the principles learned in the lesson.

Don't have time for the full lesson? Quick Activity (10-20 mins.)

Distribute the worksheet and allow students to complete it while they follow along with the video. Or have students watch the video at home and use the worksheet as a quick quiz the next day in class.