What Is a Budget? | Lesson Plan

What is a budget and how do I make one?

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

Learning Objectives:
- Understand why budgeting is important.
- Identify what is a budget.
- Explore the different components of making a budget.
- Differentiate between needs and wants for budgeting purposes.

Key Vocabulary:
- Budget: A tool that helps a person use every dollar wisely.
- 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: Financial literacy, decision making, personal responsibility, personal finance

What You'll Need
- Video: Ca$h Cour$e: What is a Budget?

 Scan to watch video.

- Worksheet: Ca$h Cour$e: What is a Budget? (Download PDF)

Lesson Plan (40 mins.)

Warm-Up: What is a budget and why do you need one?. (10 mins.)
1. Ask: *What is a budget? Why do you need a budget? What are some important elements of a budget?*

Watch and Complete: (20 mins.)

1. State: *We're going to watch this video and see what we can learn about budgets, then we'll answer some questions to see what we've learned!*
2. Watch the video, *Ca$h Cour$e: What is a Budget?*
3. Display a copy of *Ca$h Cour$e: What is a Budget?* worksheet on the screen to answer and discuss together as a class. Or distribute worksheet to students for individual assessment.

Wrap-Up: (10 mins.)
1. Discuss: *What did you learn about a budget? How would you develop your own budget? Can kids have budgets?*

2. *Optional*: Explain additional take home assignment: Students can develop their own budget at home to turn in or share with class. View video at home to make sure all elements presented are included.

Don't have time for the full lesson? Quick Activity (5 mins.)
Distribute the worksheet and allow students to complete it while they follow along with the video.