



# 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 the four steps to making a budget for themselves.

## Learning Objectives:

- Understand why budgeting is important.
- Identify what a budget is.
- Define key terms associated with budgeting, including budget, savings, income, needs, and wants.
- 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, Personal Finance, Life Skills

## 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](#))
- Classroom whiteboard and dry-erase markers
- Student whiteboards, notebooks, or pieces of paper

## Lesson Plan (45 mins.)

Warm-Up: What is a budget, and why do you need one? (5 mins.)

1. Have students brainstorm three words they associate with budgeting and write them down (personal whiteboards or a piece of paper). Have students show you their words and select students to share.
2. Discuss with the students what they are thinking about budgeting.
3. Ask: *What is a budget? Why do you need a budget? What are some important elements of a budget?*

Watch and Apply: (25 mins.)

1. State: *We will watch this video and see what we can learn about budgets, then answer some questions to see what we've learned!*
2. Watch the video, *Ca\$h Cour\$e: What is a Budget?*
3. Draw a large circle on the board. Have students help you fill out the pie pieces for the percentage that goes to "needs," "wants," and "savings."

Wrap-Up: (15 mins.)

1. Distribute the *Ca\$h Cour\$e: What is a Budget? Worksheet*. Have students complete a no- or low-stakes assessment. Give the students a hypothetical monthly income for the application section, or let them work their own personal financial numbers.
2. After the assessment (you may choose to collect or not), work through the questions as a class and discuss any areas where students needed help, still needed to complete it, or had questions.
3. Discuss: *What did you learn about a budget? What age do you need to be to have a budget? How would you develop your own budget?*
4. *Optional:* Explain additional take-home assignment: Students can develop their budget at home to turn in or share with the class. View the video at home to make sure all elements presented are included.

## Don't have time for the full lesson? Quick Activity (5-10 mins.)

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