

## 10-12 – Extension Activity for *Budgeting 101*

### Specific Outcome(s)

- Career and Life Management
  - R1. Identify personal resources, and explain how they could be of value to self and others
    - Prepare and use a personal budget
    - Identify strategies for making the most of an income – understanding spending, reducing spending, meeting financial commitments and obligations, saving
  - R2. Compare needs, wants and consequences with consideration of self, others and society
    - Explain how to make thoughtful choices and decisions, using financial plans as tools
  - R3. Examine sources of lifestyle aspirations, and relate these to personal resources
    - Describe how personal values, goals and lifestyle choices must be integrated into a financial plan
    - Define and assess the components and characteristics of a financial plan
    - Examine how to change plans as goals and/or lifestyles change and in response to new information
    - Analyze how personal goals and priorities, personal needs and wants, and cultural influences affect the use of all of one's personal resources
  - R4. Demonstrate knowledge of and a commitment to achieving personal financial goals
    - Identify the benefits of proactive personal financial planning
    - Explain the importance of flexibility
- Mathematics 20-3
  - N2. Solve problems that involve personal budgets

At the end of this extension activity, students will be able to create a spending plan that fits their personal situation. Additionally, they will be able to explain the importance of financial planning and the need for flexibility with their spending plans.

### Materials Needed

- Calculators

## Materials Provided

- Your Spending Plan handout
- Spending Plan Framework
- Spending Plan Scenario
- Spending Plan Examples

## Logistics

- Photocopy the Your Spending Plan handout 😊
  - Print enough copies for each student.
- Prepare to project the Spending Plan Framework, the Spending Plan Scenario, and the Spending Plan Examples on the whiteboard/screen for students to see.

## Procedure

- Review what a spending plan is and why it's beneficial to have a spending plan.
  - "A spending plan helps you to track your expenses and know your income. In other words, it helps you to manage money!"
  - "Creating a spending plan can help you achieve your goals! You'll be able to live within your means, set spending limits, reduce costs and save more, reduce stress, have more money for what's important to you, and feel in control of your finances."
- Provide the definition of income and expenses.
  - "Income is the money you receive in exchange for your goods or your services. Expenses, on the other hand, are costs. The frequency of your expenses can be regular, irregular, or unexpected."
    - Variable expenses are costs that change (e.g., gas). Variable expenses are harder to budget for.
    - Fixed expenses are costs you can expect to stay the same (or close to the same) over time (e.g., vehicle insurance).
- Share the spending plan framework with students.
  - Explain each category of the framework:
    - "50% of your income goes to your needs (e.g., housing, utilities, groceries, etc.)."
    - "30% of your income goes to your wants (e.g., going to the movie theatre, eating out, etc.)."
    - "20% of your income goes to your emergency fund (money to help you deal with unexpected situations such as car repairs) and savings."

- “Following this framework could help to keep you from overspending, and it could be a good place to start when you’re creating your spending plan. It could also inform your spending goals for the future. Know that it’s okay if these numbers don’t work for you; it’s important to review your spending plan often and adjust as needed.”
- Explain how to calculate the dollar amounts for each category in the spending plan framework.
- Give students the steps to follow when creating a spending plan.
  - “Figure out how much money you have coming in (i.e., your income).”
  - “Figure out your costs (i.e., your expenses).”
  - “Set a monthly goal for saving.”
  - “Track your spending.”
  - “Make adjustments as needed.”
- Invite students to create their own spending plan.
  - If they’re struggling to determine their own income and expenses, have them use the provided scenario.
  - They may also use the provided spending plan examples to help them.
  - Circulate and help students as needed.
- When ready, have students compare their draft spending plans with each other. Ask them to discuss the following questions:
  - “Why is it important to plan your finances? How does it help you?”
  - “What was difficult about making a spending plan?”
  - “What do you do with your spending plan if your situation (e.g., your income, your expenses, or your goals) changes?”
- Thank students for their hard work. Remind them to review their spending plans often to make adjustments.

# Spending Plan for High School Students



Monthly Expenses
Rent
Food
Toiletries
Phone
TV/Internet
Gas
Vehicle insurance
Parking
Public transportation (e.g., bus pass)
Childcare
Recreation and entertainment
Emergency fund and savings
Other monthly expenses
<i>Total monthly expenses</i>

Irregular Expenses
Vehicle registration
Vehicle maintenance
Medical prescriptions
Dental and optical
Furniture and appliances
Sports and program registration
Clothing
Travel
Gifts and donations
Other irregular expenses
<i>Total irregular expenses</i>

Monthly Income
Allowance
Work
Family support
Other monthly income
<i>Total monthly income</i>

Irregular Income
Scholarships, grants, bursaries
Gifts
Tax returns
Other irregular income
<i>Total irregular income</i>

Balances
Total monthly expenses
Total irregular expenses (÷ 12)
<i>Total expenses</i>
Total monthly income
Total irregular income (÷ 12)
<i>Total income</i>
<i>Total monthly balance</i>

Emilia is in Grade 12. Her only regular income is working part-time as a lifeguard at her local pool. She nets approximately \$1,030 each month. She usually gets \$50 for her birthday too! Emilia lives at home and doesn't have to pay rent, but she pays for her car (gas, insurance, registration, and maintenance/repairs). She drives to and from school and work almost every day. She also buys her own clothes and toiletries, buys gifts for her two siblings' birthdays, and donates to her local humane society. Emilia is hoping to go on a road trip with her friends after graduation, so she's trying to save some money for travel. **How much money should she allocate to each line of her spending plan?**

# Spending Plan for High School Students



Monthly Expenses	
Rent	\$150.00
Food	\$200.00
Toiletries	\$25.00
Phone	\$55.00
TV/Internet	\$0.00
Gas	\$0.00
Vehicle insurance	\$0.00
Parking	\$0.00
Public transportation (e.g., bus pass)	\$82.00
Childcare	\$0.00
Recreation and entertainment	\$140.00
Emergency fund and savings	\$205.00
Other monthly expenses	\$50.00
<i>Total monthly expenses</i>	\$907.00

Irregular Expenses	
Vehicle registration	\$0.00
Vehicle maintenance	\$0.00
Medical prescriptions	\$0.00
Dental and optical	\$60.00
Furniture and appliances	\$0.00
Sports and program registration	\$0.00
Clothing	\$500.00
Travel	\$500.00
Gifts and donations	\$500.00
Other irregular expenses	\$0.00
<i>Total irregular expenses</i>	\$1,560.00

Monthly Income	
Allowance	\$0.00
Work	\$1,023.05
Family support	\$0.00
Other monthly income	\$0.00
<i>Total monthly income</i>	\$1,023.05

Irregular Income	
Scholarships, grants, bursaries	\$0.00
Gifts	\$200.00
Tax returns	\$0.00
Other irregular income	\$0.00
<i>Total irregular income</i>	\$200.00

Balances	
Total monthly expenses	\$907.00
Total irregular expenses (÷ 12)	\$130.00
<i>Total expenses</i>	\$1,037.00
Total monthly income	\$1,023.05
Total irregular income (÷ 12)	\$16.67
<i>Total income</i>	\$1,039.72
<i>Total monthly balance</i>	\$2.72

# Spending Plan for High School Students



Monthly Expenses	
Rent	\$0.00
Food	\$120.00
Toiletries	\$0.00
Phone	\$55.00
TV/Internet	\$0.00
Gas	\$80.00
Vehicle insurance	\$170.00
Parking	\$0.00
Public transportation (e.g., bus pass)	\$0.00
Childcare	\$0.00
Recreation and entertainment	\$140.00
Emergency fund and savings	\$205.00
Other monthly expenses	\$50.00
<i>Total monthly expenses</i>	<b>\$820.00</b>

Monthly Income	
Allowance	\$0.00
Work	\$1,023.05
Family support	\$0.00
Other monthly income	\$0.00
<i>Total monthly income</i>	<b>\$1,023.05</b>

Irregular Income	
Scholarships, grants, bursaries	\$0.00
Gifts	\$200.00
Tax returns	\$0.00
Other irregular income	\$0.00
<i>Total irregular income</i>	<b>\$200.00</b>

Irregular Expenses	
Vehicle registration	\$85.00
Vehicle maintenance	\$1,000.00
Medical prescriptions	\$0.00
Dental and optical	\$0.00
Furniture and appliances	\$0.00
Sports and program registration	\$0.00
Clothing	\$500.00
Travel	\$500.00
Gifts and donations	\$500.00
Other irregular expenses	\$0.00
<i>Total irregular expenses</i>	<b>\$2,585.00</b>

Balances	
Total monthly expenses	\$820.00
Total irregular expenses (÷ 12)	\$215.42
<i>Total expenses</i>	<b>\$1,035.42</b>
Total monthly income	\$1,023.05
Total irregular income (÷ 12)	\$16.67
<i>Total income</i>	<b>\$1,039.72</b>
<i>Total monthly balance</i>	<b>\$4.30</b>