

Lesson 12: Spend, Save, or Give?

TOPIC: Personal Financial Choices

OVERVIEW:

Gaining strides in their compounding financial knowledge, learners delve into personal decision making in this 12th and final lesson by applying their budgeting skills to determine when and how to **save**, **spend**, or give with their money. Exploring **charitable giving** as part of a spending plan, learners discover how giving adds value to a financial life.

OBJECTIVES:

1. Create a balanced budget that takes into consideration spending, saving, and giving
2. Analyze personal decision making when crafting a budget

INDIVIDUAL HANDOUTS:

- Personal Budget

GROUP HANDOUTS:

- Spend (station set)
- Save (station set)
- Give (station set)

TEACHER PRESENTATION SLIDES:

- none

ESSENTIAL QUESTIONS:

- What are the benefits to investing money?
- Is investing money worthwhile?
- What investing strategies will create positive rate of return?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Activity:** What Goes into a Budget?

Post-Assessment:

- **Handout:** Personal Budget
- **Activity:** Personal Budget Explanation Quick-Write

Time: 55 min

Supplies:

- Access to the Internet(optional)
- Loose-leaf paper for stations

Preparation:

- Make copies of student handout and group handouts
- Set up Spend, Save, and Give stations
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary 15

Instruction Steps

WARM UP

What Goes Into a Budget?

5 MINUTES

Ask students:

- *How many of you have a **budget** (“spending plan”)?*
- *What types of things might be included in a spending plan?*

Allow students to share answers. (Possible answers: earnings and various sources of income, spending on other things like mortgage or rent, clothing, entertainment; savings account(s); investing in stocks, bonds, or mutual funds; charitable giving in the form of monetary donations)

GUIDED EXPLORATION

Spend, Save, Or Give? – Personal Thinking Stations

20 MINUTES

Set up the classroom in three stations, with group handouts at each station:

- Station 1: **Spend**
- Station 2: **Save**
- Station 3: **Give**

(If you are concerned about the number of students at each station, the stations can be doubled to make two sets of stations, or six stations total.)

Instruct students that, at each station, they will view a slide that asks them to think about how they relate to the station. As they move to each station, they should talk about their answers with their station peers and/or record answers on a sheet of loose-leaf paper. Allow students five minutes at each station.

Grade-Level Modifications:

Beginner: Limit the slide to one or two key questions. Allow these students to discuss their answers with a peer before recording their answers on loose-leaf.

Advanced: Ask students develop one additional question related to spending, saving, or charitable giving that can be used by the next group to visit the station.

┌ **MONEY SMART TIP!** ┐

└ Provide each station with a laptop or Internet-connected device to allow students to do additional research with any remaining time. ┘

INDEPENDENT EXPLORATION Personal Budgeting

20 MINUTES

When they return to their seats, provide students with the **Personal Budget** student handout. Also give them a monthly income that they can use to create their budgets. (Note: You may want to give everyone in class the same budget, say \$2,000, or you may want to vary the monthly budgets that students can work with.)

Using their responses to the station questions, students will fill out their **Personal Budget** student handout, factoring in expenses, savings, and giving decisions. (Note: You might help students brainstorm some of the possible items on the budget.) See a possible student response to the **Personal Budget** student handout on the **Answer Key**.

Grade-Level Modifications:

Beginner: Limit the number of expenses to the options and prices on the group handouts. Also, limit how students use their money for savings and giving. For savings, beginner students can focus on putting money into a simple savings account. For giving, beginning students can determine how much money they'd give away.

Advanced: Have students research the salary of their goal career and enter the monthly salary after taxes as their budget income amount. Encourage students to explore a few methods of saving and a few methods of giving included in their personal budgets.

When students are finished with their budgets, they will choose one interesting part of it to present to the small groups from their stations. For example: some students may think that the way they factored giving into their budget is interesting, or how they limited their expenses to have more money in their savings accounts.

Students will then present their budget to their small group, focusing on what makes their budget interesting. Peers will use peer feedback norms to provide the students with budget "glows and grows." During "glows," peers will offer positive feedback on the budget. During "grows," peers will offer some suggestions or questions that might prompt change or improvement of the budget.

WRAP UP Explaining My Budget Quick-Write

10 MINUTES

Have students respond to the prompt in writing:

You will be turning in your budget, but you will not be present when the teacher reviews it. Write an explanation of how you set up your budget and the decisions you made so that the budget will make sense to someone else (your teacher).

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Imagine that you've just been gifted with \$1,000,000. How would you spend, save, or give the money? What lessons have you learned about financial decision making that have influenced your choices?

What do you think should be the most important part of financial decision making: spending, saving, or giving? Write a convincing argument for your selection.

MATH

Activity/Project Ideas:

Imagine that you've just been gifted with \$1,000,000. Create a detailed budget about the amount of money you spend, save, or give. Use financial calculators to determine interest gained on savings, and potential risk or reward on investments.

Investigate the finances of a variety of nonprofit organizations in your community. Complete calculations to determine how much of their budget is from charitable donations and what might happen if charitable donations decreased.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Research the incentives that the government has placed on charitable giving, such as tax deductions. Evaluate whom the government incentives are geared toward and whether or not the incentives increase charitable giving.

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Bouncing ball money choices	Students play a game to share how they think and feel about money. www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/bouncing-ball-money-choices/
Building a budget for a school field trip	While planning a large school field trip, students make decisions about how to budget their money. www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/building-budget-school-field-trip/
Paying for a pet	Students calculate the costs of owning a pet and choose the pet that's best for them. www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/paying-pet/
Paying for fitness	Students compare the cost of home exercise equipment and a gym membership and determine which option would be best for them. www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/paying-fitness/
Understanding who shapes your money decisions	Students read a handout and then identify how both they and the people in their lives make choices about money. www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/understanding-whoshapes-your-money-decisions/

Answer Key

Student Handout 1:

Personal Budget

MY EXPENSES

Expense	Amount per Month
Rent	\$800
Utilities (gas, electric, and water)	\$75
Phone	\$50
TV and Internet	\$100
Bus Pass	\$50
Food and Household Supplies	\$150
Going Out to Eat	\$100
Taking Care of My Pet (food, supplies)	\$40
Entertainment	\$150
Magazine Subscription	\$12
Renter's Insurance	\$12
Total	\$1539

Money remaining after expenses are deducted:

$$\$2,150 - \$1,539 = \$611$$

MY SAVINGS

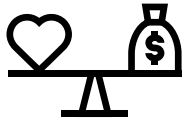
How much of the remaining money do you plan to save? Explain your savings plan.

\$500 in my savings account, because it will get interest, but I can access it for emergencies.

MY GIVING

How much of the remaining money do you plan to give? Explain your giving plan.

\$50 to a group that provides after-school programs to kids (like the YMCA) because I benefited from those programs and it helped me become who I am today.

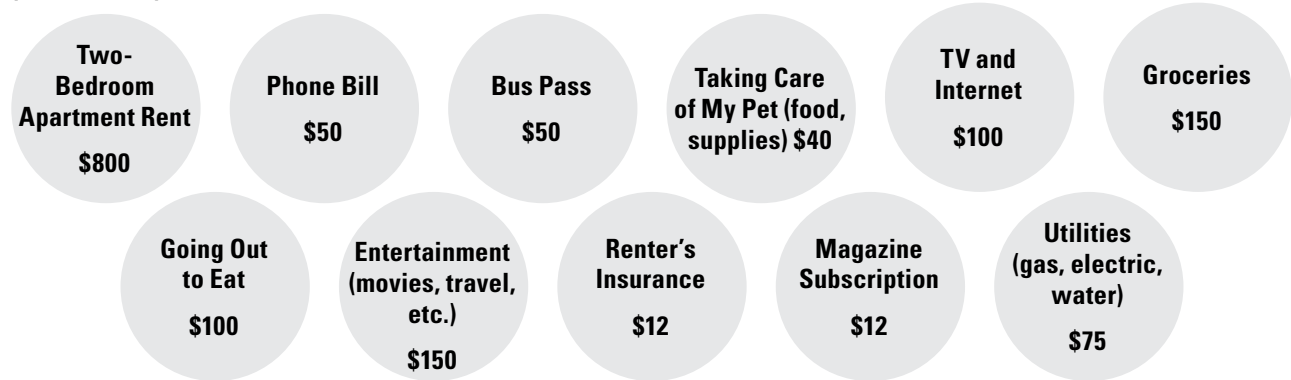


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SPEND

Use with *Spend, Save, or Give?* – *Personal Thinking Stations* activity.
One copy per group.

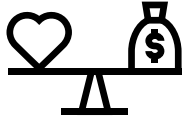
Consider that some expenses are **fixed**, or never change from month to month, and other expenses are **variable**, or may vary from month to month. Categorize the expenses below as either fixed or variable. Then prioritize expenses based on personal priorities



What other expenses might people have, aside from those listed above?
Are those expenses fixed or variable?

Of the variable expenses above, what could you do to decrease or increase your spending? What would your life be like if you increased or decreased spending?

Are fixed expenses fixed for the rest of your life?



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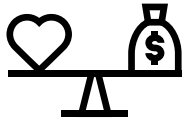
SAVE

Use with *Spend, Save, or Give?* – *Personal Thinking Stations* activity.
One copy per group.

What are different ways that you can give back? (Hint: think beyond money)

What causes, organizations, or parts of your community would you like to support or give back to?

How can you support one of the ideas you listed above?



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SAVE

Use with *Spend, Save, or Give?* – *Personal Thinking Stations* activity.

One copy per group.

What are your goals for saving money?

What are some things you could do to save money?

Are there certain methods for saving money that are better than others? Why?