

LESSON INSTRUCTIONS



LESSON #1:

DON'T BE THAT GUY WHO MAKES HIS ROOMMATES PAY FOR CEREAL

TOPIC: BUDGETING

WHAT TO DO:

- Display the poster and share the illustrated scenario. Distribute sticky notes and ask students to record items they think they should budget for that are not reflected on the classroom poster. Add the sticky notes to the poster.
- Introduce the idea that a budget is a document that shows how much money you earn (income) and how you spend it (expenses). Ask students to organize the sticky notes into income and expense categories.
- Explain a budget includes both fixed and flexible items. Ask students if they know the difference and explain that fixed is the same each month, while flexible items vary. Challenge students to re-categorize their sticky notes into fixed and flexible columns.
- Analyze the outcome of the budget on the poster front and discuss the differences between categories. For example:
 - ✓ Why is transportation both a fixed and flexible expense? (*Some items like a car payment are the same each month, while repairs and gas costs vary.*)
 - ✓ Why should you include savings as an expense? (*Paying yourself first ensures you can cover emergencies.*)
 - ✓ What categories can you adjust or control in a budget? (*While some fixed expenses can be negotiated, like opting for a less expensive phone plan, flexible expenses offer the greatest range of decision-making. For example, if you overspend on electronics, you can reduce your expenses by waiting to make purchases until you have enough money.*)
- Distribute copies of Lesson #1 Student Activity and ask students to think through their own income and expenses. Allow students time to complete the student activity individually or in small groups or assign as a take-home project.
- Ask students to share their reflections from the student activity. Discuss how budgets evolve over time and how decision-making influences our budgets—and can increase or decrease our financial stress.

car payment phone
transportation
emergencies
clothes food

