

Building **Wealth**

In the Classroom

Interactive Lessons

Lesson 2

Budget to Save—Developing a Budget

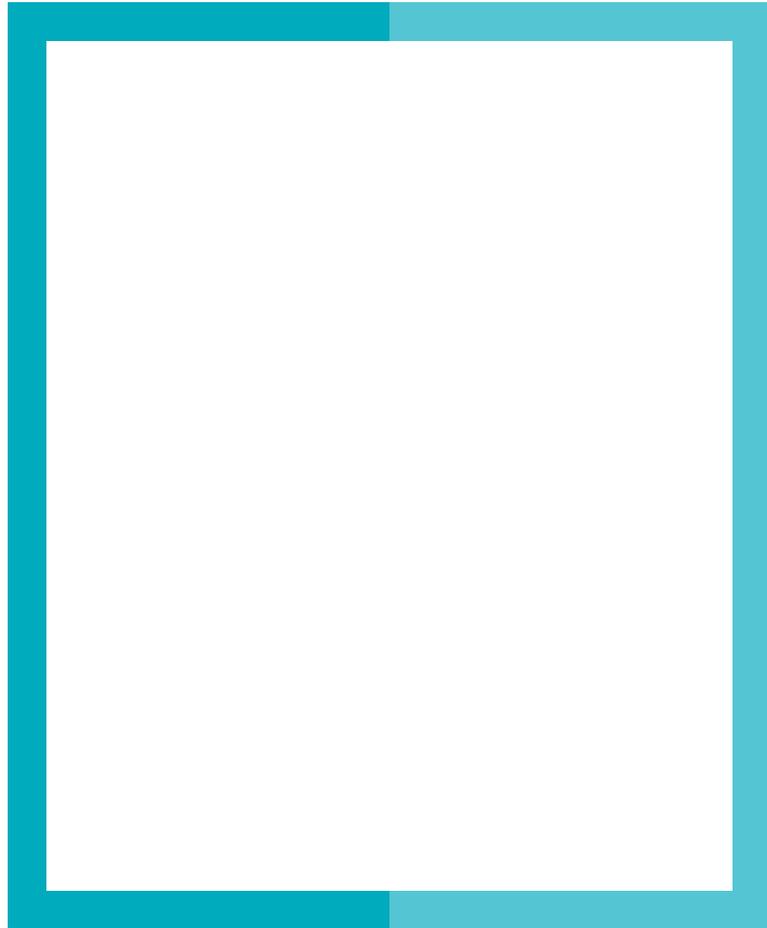


Instructional Objectives

Students will:

- Analyze personal goals to determine related and necessary financial goals.
- Devise personal goals for a variety of time frames and develop related financial goals.
- Gather data and use it to analyze personal spending.
- Develop a budget that allows personal saving.

How to Get an “A”



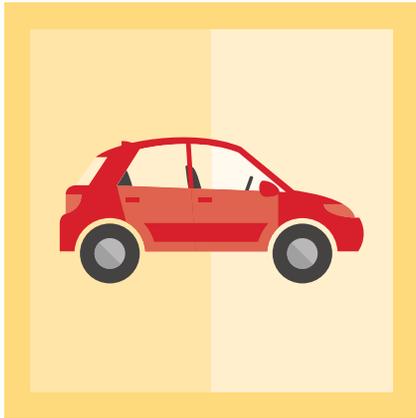
Achieving a goal requires making a plan.

- Make a plan that is **specific**.
- Make a plan that is **action-oriented**.

Smart Goals

- **Specific**
- **Measurable**
- **Attainable**
- **Relevant**
- **Timely**

Setting Goals



Cost of purchase: \$2500

Cost of gas: \$25/week

Cost of insurance: \$100/month



Cost of plane ticket: \$500 (due at booking)

Cost of hotel: \$400

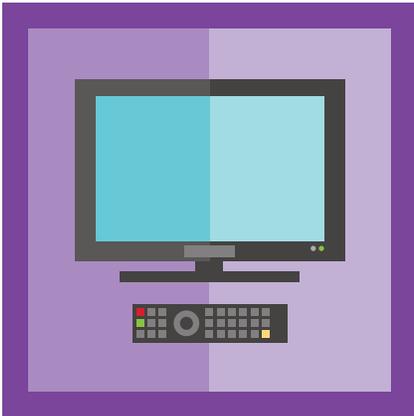
Cost of food and souvenirs: \$300

Setting Goals



Cost of tuition: \$3600

Cost of meal plan: \$250/month



Cost of television: \$500

Cost of cable: \$40/month

Setting Goals



Cost of deposit: \$500

Cost of rent: \$350/month

Cost of utilities: \$150/month



Cost of phone: \$300

Cost of new data plan: \$30/month

Setting Goals

6-month goals	
Personal	Financial

Setting Goals

1-year goals	
Personal	Financial

Setting Goals

5-year goals	
Personal	Financial

Setting Goals

10-year goals	
Personal	Financial

Sonya



Gabby



 **A budget allows you to:**



To develop a budget you need to:



Sam's Monthly Budget

Sources of income	Current income
Part-time job (net pay)	\$ 580
Lunch money from parents	80
Total income	\$ 660
Spending categories	Current expenses
Eating out at lunch (\$6 per school day)	\$ 120
Movie night with friends (once a week)	80
Dinner with friends (once a week)	50
Football games and snacks	20
Car insurance	140
New clothing	90
Gas	140
Soft drink from vending machine (per school day)	20
Total expenses	\$ 660
	Current savings
Available to save (Income – Expenses)	\$ None



Financial Decision-making





Sam's Monthly Budget

Sources of income	Current income	Income changes	New income
Part-time job (net pay)	\$ 580	\$	\$ 580
Lunch money from parents	80		80
Total income	\$ 660	\$	\$ 660
Spending categories	Current expenses	Spending changes	New expenses
Eating out at lunch (\$6 per school day)	\$ 120	\$	\$
Movie night with friends (once a week)	80		
Dinner with friends (once a week)	50		
Football games and snacks	20		
Car insurance	140		
New clothing	90		
Gas	140		
Soft drink from vending machine (per school day)	20		
Total expenses	\$ 660	\$	\$
	Current savings		New savings
Available to save (Income – Expenses)	\$ None	\$	\$

Assessment