



FINANCIAL EDUCATION TEACHER RESOURCE PACK

Budgeting
KEY STAGE 3

The
MONEY
Charity

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ABOUT THE MONEY CHARITY

The Money Charity is a national financial capability charity providing financial education, information and advice to young people and adults throughout the UK.

Our vision is for everyone to be on top of their money as a part of everyday life. So, we empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives.

We are most known for providing high quality support to teachers by delivering fun, engaging and interactive Money Workshops in schools and colleges across the country. The workshops inspire and motivate young people to take control of their finances and prepare for their futures. We hope that our teaching resource packs will help us expand this reach.

We will be developing more teacher resources so if you enjoyed this one, please check on our website www.themoneycharity.org.uk to see what other packs are available.

What is Financial Capability?

Financial capability provides people with the ability to manage their money well and to make the most of it. It enables people to have the best possible financial wellbeing, both now and in the future. This is done by improving and developing peoples' skills and knowledge, motivation and attitudes towards money, and the accessibility of financial products.

Budgeting is an important part of helping young people become financial capable. Developing this skill allows them to stay in control of their money, plan for upcoming events and avoid financial difficulties.



USING THIS RESOURCE PACK

This resource pack is designed to give you the tools and the confidence to help you to teach your students about key financial topics in a fun and engaging way. You do not need to already have any special skills or knowledge, and most of the required resources are provided in the pack. This pack has been specifically designed to help you deliver the "importance and practice of budgeting" topic of the national curriculum.

This pack is designed to be flexible so you can adapt it to the requirements of your school and students. We have split the lesson into three 20 minute sections, which can be run together or independently. This gives you the choice to run it as a full hour lesson or run it as 2 or 3 consecutive lessons if time is limited eg: if financial capability is taught during form time.

This resource pack covers budgeting for 11-14 year olds.

The learning outcomes of this pack are to:

- Understand the difference between income and expenditure
- Improve knowledge of needs and wants
- Gain a basic understanding of the link between money and emotional health
- Explain the need for a budget in day-to-day life
- Complete a sample budget

Resources included in this pack:

- 1x Teacher notes
- 1x Starter sheet (photocopy for number of students)
- 5x Sets of 32 card sort cards
- 1x Blank budget template (photocopy for number of students)
- 1x Cara's story (photocopy for number of students)
- 5x The money game board
- 1x Game worksheet (photocopy for number of students)
- 5x Sets of 16 lifestyle cards

Students will need access to calculators.

STARTER

FINDING OUT WHAT WE KNOW



TIME NEEDED

5 minutes



AIM

Students will fill in the before side of the starter sheet.



LEARNING OUTCOME

Recognise their current strengths and weaknesses in this topic.



RESOURCE

- Starter sheet

ACTIVITY

1. Give each student a starter sheet.
2. Instruct each student to answer the statements on the before side of the sheet.
3. **Red** = low confidence/knowledge
Orange = medium confidence/knowledge
Green = good confidence/knowledge.
4. Get the students to hold up their sheets or put their hands up for each colour to see where the students feel their understanding is before the session.

Tip

If you are doing each activity in separate lessons, please ask the students to write their names on the sheets and collect them in at the end as they will need them again later.

DISCUSSION

Suggested discussion starters:

- Have any of you made a budget before?
- Was it easy to make a budget and to stick to it?
- What challenges did you face?
- Why is it useful to make a budget?

EXTENSION

Students should discuss with their partner why they should budget?

ACTIVITY 1

WHAT COMES IN AND WHAT GOES OUT



TIME NEEDED

15 minutes



AIM

Students will do a card sort to help them think about different types of costs and how they might prioritise them in a budget.



LEARNING OUTCOME

Improve knowledge of needs and wants and understand the difference between income and expenditure.



RESOURCES

- Card sort
- Appendix 1 (card sort teacher's guidance)

ACTIVITY

1. Put the students in pairs.
2. Give each pair 1 set of budgeting cards.
3. Explain that the students will need to sort the cost cards under the correct headings.

Income: money coming in to your account

Survival costs: items that meet your basic needs

Commitment costs: items that you are required to pay by law or due to a contract (but not survival costs)

Lifestyle costs: items that relate to hobbies, interests, social life. These are wants not needs

4. Some of the cards may be relevant for two headings. Have the students discuss which they think is more important. See appendix 2 for our answers to help you facilitate the discussion.
5. Have the groups give feedback on where they placed their cards.

Tip

If you are doing each activity as a separate lesson, ask the students to write their names on the sheets and collect them in at the end as they will need them again later.

DISCUSSION

Suggested discussion starters:

- Why did you put that cost under that heading?
- Did any groups place this cost somewhere else? If so, why?
- Which cost would you pay for first and why?
- Within the categories would you put some costs higher than others?
- Was it easy agreeing on things as a group? (This relates to real life, making decisions as a family or household.)
- Which were the costs that were hardest to agree on?
- Are there right and wrong answers in this exercise?
- Can anyone explain the difference between income and expenditure?

EXTENSION

Once a group has finished the card sort, have them sort each cost into order of importance, in their opinion.

ACTIVITY 2

CREATING CARA'S BUDGET



TIME NEEDED

15 minutes



AIM

Students will be provided with a case study outlining a character's (Cara's) weekly spending. They will need to discuss her personal spending and build a balanced budget based on the information from the case study.



LEARNING OUTCOME

Create a budget and reflect on a person's spending habits.



RESOURCES

- Cara's story
- Blank budget template
- Appendix 2 - Cara's story teacher's answers

ACTIVITY

1. Have the students work in pairs.
2. Give each pair a copy of Cara's story and get them to write down or highlight everything Cara spends her money on.
3. Tell the students to decide which of Cara's costs are survival costs, commitment costs and lifestyle costs.
4. Discuss what the students chose and why.
5. Give each student a blank budget template.
6. Explain that they should use the information in Cara's story to build a budget for her week.
7. The budget will balance. Check that all pairs have worked it out correctly. See appendix 3 for the answers.
8. Then, ask the students what would happen if an unexpected cost of £20 occurred eg: she needed to pay for a replacement text book for school or a new jumper.
9. Ask the pairs to discuss and decide which item(s) they could reduce to afford this cost.

DISCUSSION

Suggested discussion starters:

- What costs did you record first on Cara's budget?
- What have you learnt about budgeting?
- Do you think Cara managed her money responsibly.
- What could Cara cut back on, if she needed to?

Tip

Remind students that they may need to times by 7 to get the weekly expenditure or 5 for the school week.

Tip

The student should be left with £4.50 after working out her budget. See appendix 1 for the teacher's answers.

Tip

If you took a break between activity 1 and 2, start with the revision activity 1 and then proceed with activity 2.

Revision activity 1

Students have 60 seconds to explain what they did last lesson to their partner.

They are not allowed to:

- Pause
- Repeat words
- Say 'Erm'

ACTIVITY 3

BUDGETING BOARD GAME



TIME NEEDED

20 minutes



AIM

Students will use the game to help them to think about the choices they might need to make when budgeting. They should realise that, while they might not be able to afford everything, they also don't always need to buy the cheapest item. They should also notice that it is important to think about emotional health, as seeing friends and doing things they enjoy contribute to their happiness.



LEARNING OUTCOME

Understand the need to budget for day-to-day life and gain a basic understanding of the link between money and emotional health.



RESOURCES

- Budgeting game board
- Budgeting game cards (survival and lifestyle)
- Dice (not provided)
- Calculators (not provided)
- Game worksheet
- Appendix 3 - Game rules

ACTIVITY

1. Put the students into groups of 4 or 5.
2. Explain that they will be playing a budgeting board game. They will be paid £45 for going to school each day but they will have to be independent and pay for their own expenses.
3. Ask them to briefly discuss what kinds of things they might need to pay for.
4. Explain the rules of the game (appendix 1) and check understanding.
5. The students will need to write their income and expenditure on the game worksheet provided.
6. Give each group a board and a set of cards, and give each student a game worksheet.
7. Allow them to play for 10 minutes.
8. Stop the game and get them to add up their budget and lifestyle points (see game rules in appendix 1 for points system).
9. The students with the most points win their game.

Tip

There is lots of opportunity for discussion at the end of the game. Use the discussion points below to help the students relate this game to real life.

Tip

If you took a break between activity 2 and 3, start with the revision activity 2 and then proceed with activity 3.

Write a text message to your friend that describes the key steps of building a budget.

DISCUSSION

Suggested discussion starters:

- What did you learn from playing the game?
- What did you find hard about the game and what was easy?
- What aspects might differ in real life?
- Was the game unfair? Why? How might this relate to life?
- Why were lifestyle points important?
- Why should we budget for the 'everyday' and not just the special occasions?
- Who feels confident creating a budget?
- How might having the option to save help in this game?

PLENARY

WHAT HAVE WE LEARNT?



TIME NEEDED

5 minutes



AIM

To sum up the learning and to see if students have made progress in their understanding and confidence in this topic.



LEARNING OUTCOME

Evaluate what they have learnt and how it might be useful to them in their lives.



RESOURCES

- Starter sheets from the beginning

ACTIVITY

1. Have the students work individually.
2. Discuss the questions below.
3. Ask the students to think about each question for a few minutes. Then discuss these as a class.
4. Give students the starter sheet from the beginning of the lesson.
5. Get them to fill in the after section to see how/if their confidence and knowledge has changed.

DISCUSSION

Suggested discussion starters:

- Has anything from these activities surprised you? What and why?
- Do you think doing these activities will change anything about how you do things now?
- How do you think having done these activities might help you in the future?

For us to continue providing these resources for free, we need to collect data and evaluate their impact. Please help us do this by sending the completed starter sheets to
The Money Charity, 15 Prescott Place, Clapham, SW4 6BS

If you have any questions or feedback on these resources please contact hello@themoneycharity.org.uk