

## LESSON PLAN

### FINANCIAL LITERACY: LIVING PAYCHECK TO PAYCHECK

**Grade Range:** 11-12

**Time Needed:** 45 minutes

**Learning Objectives:**

- Students will understand the value of saving money
- Students will become aware of the basics of how to create a budget

**Supplies/Materials:**

- Computer
- Handouts (1 per student)
- Writing utensil

Tell the students you are going to have them do an online simulation today. They are going to accept a challenge of having no job, no savings, and they're down to their last \$1,000. They will need to make it through the next month. Each student will do this activity individually, answering the series of questions that are pop up on their computer for their specific scenario.

1. Each student will now go to [www.playspent.org](http://www.playspent.org). Tell the students to complete the activity now without speaking with their neighbors, so that their choices are their own. At the beginning, there will be the choice to find a job or exit. All students should select find a job or the simulation will end. Some choices will have the option of asking a friend. We are not going to choose that option today as it is linked with social media.
2. Once all the students have finished the activity, have a group discussion:
  - At the beginning of this activity, did you think it would be easy to make it the 30 days?
  - Did anyone make it to day 30?
  - Which decisions were particularly difficult to make? What were you willing to sacrifice? What were you not willing to sacrifice?
  - Did any of the decisions you chose have consequences you were not expecting?
  - Were any of the facts that popped up on the screen surprising to you? Which ones?
3. After the discussion, explain that we are now going to discuss budgeting. Start with this short video: <https://www.youtube.com/watch?v=fGkr-Aohulk>
4. After the video, hand out a worksheet to each student. ([https://www.consumer.gov/sites/www.consumer.gov/files/pdf-1020-make-budget-worksheet\\_form.pdf](https://www.consumer.gov/sites/www.consumer.gov/files/pdf-1020-make-budget-worksheet_form.pdf)) {worksheet is also saved as PDF file}. Explain to students that this worksheet is a valuable tool to create a monthly budget. Tell students to keep in mind that at this time in their life, a lot of these expenses do not apply to them because a parent or family member is paying these for them. However, these will become their responsibility most likely in the near future. Have each student fill out the worksheet based off of how much they think these things will cost for them when they're completed with school (whether that means high school, technical, or a university, depending on their situation). Tell the students if they are unsure what some of the things will cost, to ask the teacher. Teacher can tell them roughly the average for their area. After the students have written down what they expect their expenses to be, have them list what they expect to earn at this time.

If they aren't sure of this amount, they will need to log into their SDMyLife account and find the average wage for someone in the field they intend to go into.

5. At this point, we will have another group discussion:
  - Are you going to be making enough money for the expenses you're planning to have?
  - How much money will you have leftover each month? Will you plan to spend this money or save it?
  - Does anyone know the recommended amount to have in savings? (the answer: at least 6 months' worth of expenses. For example, a household that has \$2,000 per month of expenses should have at least \$12,000 in savings)

Process Questions:

- What do you think was the purpose of this lesson?
  - What can you do to prevent being in a situation similar to the one on the Spent website?
  - Why is it important to develop a budget?
6. End the class by summarizing the activities that have taken place this class period. Tell the students that the activity they did at the beginning of the class period is a good example of why we don't want to spend all the money we make so that we have something to fall back on should we face financial hardship. A quote by Ben Franklin is still true to this day: "Beware of little expenses. A small leak will sink a great ship". We don't know what kind of financial difficulties will present themselves in our lives, so money should be saved for unexpected events or emergencies.

*Sources*

(n.d.). Retrieved from <http://playspent.org/html/>

V. (2015, June 08). *Budgeting Basics Video - It's a Money Thing*. Retrieved from <https://www.youtube.com/watch?v=fGkr-Aohulk>

*Make a Budget - Worksheet*. (2015, March 11). Retrieved from <https://www.consumer.gov/content/make-budget-worksheet>