

GED 2002 Teachers' Handbook of Lesson Plans

Area/Skill - Mathematics	Cognitive Skill Level - Application	Correlation to Framework - 05.01/05.16	Lesson Number - 19
<p>Activity Title – Planning A Household Budget</p> <p>Goal/Objective To utilize math skills to plan a household budget.</p> <p>Lesson Outline Introduction Financial planning is a skill that is vital to everyday life. This lesson provides an opportunity to sharpen budgeting and financial planning skills.</p> <p>Activity</p> <ul style="list-style-type: none"> • Take home pay of \$350 after taxes each week <p>Your expenses are:</p> <ul style="list-style-type: none"> • Rent \$500.00 each month • Utilities \$280.00 each month • Food \$378.00 each month • Clothes \$20.00 every other week • Entertainment \$25.00 each week • Incidentals \$15.00 each week <p>Plan a sample budget using the above amounts. Assume 4 weeks in each month. Be careful to compute all totals monthly.</p> <ul style="list-style-type: none"> • If take-home pay is \$350.00 a week, how much of your take home pay is available for saving? (\$42) • If you are saving for a stereo that costs \$1,100, how many months will it take? (27 months) • If take-home pay is \$400.00 each week, how long would it take to buy the stereo? (4.5–5 months) <p>Debriefing/Evaluation Activity</p> <p>Have students brainstorm additional expenses that may occur in a budget.</p>			<p>Materials/Texts/Realia/Handouts</p> <ul style="list-style-type: none"> • Handout - Math Worksheet A • Handout - Math Worksheet B • Overhead and transparencies • Paper and pencils • Calculators
			<p>Extension Activity</p> <p>Have students develop a minimum budget on which they can live. Discuss how much per month they would have to make in order to stay within their budget.</p>
			<p>ESE/ESOL Accommodations</p> <ul style="list-style-type: none"> • Have students work together on projects. • Highlight important numbers or functions on worksheets. • Have students verbalize the problem-solving process first before working the calculations. • Allow use of the calculator.
<p>Real-Life Connection</p> <p>Everyone must plan and account for his/her resources. Discuss why it is important to budget available money wisely. Ask students to brainstorm the effect of credit card debt on a budget plan. Speculate if it is wiser to pay with credit or to save for a desired item.</p>			

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Activity Title - Planning a Household Budget

Introduction

Ask: Does anyone live on a budget from month to month or week to week? Why is it important to have a budget? Brainstorm with the students why budgeting and financial planning are skills vital for everyone's life.

Main Activity

Say: Today, we are going to work with someone else's budget. I am going to give you some basic information about a person's take home pay and his/her expenses. It will be your job to answer some questions regarding this budget. We will assume 4 weeks in each month. You will need to be careful that you compute all of the totals correctly. You will notice that some expenses are monthly, some weekly and some even every other week. Answer the questions and then we will share our answers.

Put the figures on a transparency or on the board. You may wish to have students work together in small groups. Have the students share their answers with the group. You may wish to provide students with a monthly take-home amount and have the groups develop their own budget. Have them share their ideas for good budgeting with the group.

Closure/Conclusion

Ask: Does the budget for this person seem reasonable? Were some things higher than you expected? Lower? Discuss that budgets differ greatly dependent on the person's income and expenditures. The important thing is to plan for the unexpected as well as those things that one would like to have.

Follow-Up Lessons/Activities

Have the students plan a budget for themselves. You may wish to first have students brainstorm the different types of expenses that can occur. Point out that some expenses, such as car insurance, may not be paid on a monthly basis. Also, doctor's and dentist's bills may need to be paid but are not a monthly expenditure. Have the students share their sample budgets with the class.

Wk.	Income	Rent	Utilities	Food	Clothes	Entertainment	Incidentals	Savings
1	\$350.00	\$500.00	\$280.00	\$378.00	\$20.00	\$25.00	\$15.00	
2	\$350.00					\$25.00	\$15.00	
3	\$350.00				\$20.00	\$25.00	\$15.00	
4	\$350.00					\$25.00	\$15.00	
Monthly Total	\$1,400.00	\$500.00	\$280.00	\$378.00	\$40.00	\$100.00	\$60.00	\$42.00
	\$400.00	\$500.00	\$280.00	\$378.00	\$20.00	\$25.00	\$15.00	
	\$400.00					\$25.00	\$15.00	
	\$400.00				\$20.00	\$25.00	\$15.00	
	\$400.00					\$25.00	\$15.00	
Monthly Total	\$16,00.00	\$500.00	\$280.00	\$378.00	\$40.00	\$100.00	\$60.00	\$242.00