

## CAREER PREPAREDNESS

<b>Unit</b>	<b>Managing Finances and Budgeting</b>	<b>Time on Task: 6 Hours/360 Minutes</b>
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<b>Course Content Standard(s)</b>	<p>15. Develop a plan for managing, earning, spending, saving, and giving using spreadsheets, online resources, or commercial software.</p> <ol style="list-style-type: none"> <li>a. Create a budget, net worth statement, and income expense statement using a spreadsheet.</li> <li>b. Utilize spreadsheet features, including formulas, functions, sorting, filtering, charts, and graphs.</li> <li>c. Identify types of income other than wages, including rent, interest, and profit earned from various resources.</li> <li>d. Evaluate various methods for acquiring goods and making major purchases.</li> </ol> <p style="padding-left: 40px;">Examples: borrowing, renting, leasing, paying cash</p>
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### *College and Career Readiness Standards*

*(Teachers should select the appropriate grade span standard(s) as it pertains to reading and writing.)*

Reading Standards for Literacy in Science and Technical Subjects 6-12 <u>or</u> Reading Standards for Literacy in History/Social Studies 6-12	Writing Standards for Literacy in History/Social Studies, Science, and Technical Subjects 6-12	Standards for Mathematical Practice
1, 2, 4, 7, 9	1b, 1c, 1e, 2b	1, 5

<b>Learning Objective(s)</b>	<p>The student will:</p> <ol style="list-style-type: none"> <li>1. Determine needs and wants to set financial goals.</li> <li>2. Identify types of income.</li> <li>3. Create a budget based on needs and wants using spreadsheet software.</li> <li>4. Create a net worth statement using spreadsheet software.</li> <li>5. Create an income expense statement using spreadsheet software.</li> <li>6. Evaluate methods of acquiring goods and making purchases.</li> </ol>
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<b>21<sup>st</sup> Century Competencies</b>	<input checked="" type="checkbox"/> Critical Thinking <input checked="" type="checkbox"/> Communication <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Creativity	Source: Partnership for 21st Century Skills ( <a href="http://www.p21.org/">www.p21.org/</a> )
<b>Essential Question(s)</b>	Why is it important to develop a personal financial plan? How do you determine wants and needs? How do you determine your income earned from sources other than your wages? How do you create and utilize a budget?	

How do you create and utilize a net worth statement?  
 How do you create and utilize an income expense statement?  
 What payment methods can consumers use for acquiring goods and making major purchases?

<b>Content Knowledge</b>	<b>Suggested Instructional Activities</b>	<b>Suggested Materials, Equipment, and Technology Resources</b>
<p>I. Creating a Financial Plan            A. Determining Money Habits</p>	<p>Utilize the NEFE Module 1: “Money Management, Presentation Software 1.1,” in implementing activities included in this unit.</p> <p>Distribute to students the NEFE Module 1: “Money Management Student Guides,” and introduce lesson concepts on:</p> <ul style="list-style-type: none"> <li>• Money habits</li> <li>• Needs and wants</li> <li>• Setting financial goals</li> <li>• Creating a spending plan</li> </ul> <p>Discuss: Have you ever bought something on impulse or over spent money on something you didn’t need?</p> <p>Show a sample video displaying regrets of spending decisions (from Spendster.org)</p> <p>On scraps of paper have students write down items they have bought that were overpriced, not worth it, or just a waste of money. Collect scraps of paper and read items purchased. Working in pairs, give each pair a number of scraps of paper. Have each pair calculate the amount of money wasted on bad spending habits. Each pair shares</p>	<p>NEFE High School Financial Planning Program, National Endowment for Financial Education, Module 1: “Money Management, Presentation Software 1.1” (<a href="http://www.hsfpp.org">www.hsfpp.org</a>)</p> <p>NEFE Module 1: “ Student Guide,” pages 3-13</p> <p>NEFE Lesson Plan: “Money Habits”</p> <p>NEFE PowerPoint: “Presentation: 1-1”</p> <p>NEFE Student Learning Plan: “1-1”</p> <p><a href="http://www.spendster.org">www.spendster.org</a> (select a video)</p> <p>Scraps of paper</p>

<p>B. Determining Needs and Wants</p>	<p>their findings with the class. The class calculates the total amount of money spent on not so wise purchases.</p> <p>Conduct a discussion on the consequences of spending and saving.</p> <p>Students read: “Make Over Your Money Habits,” on page 3, complete Activity 1.1a: “My Money Habits,” on pages 5 and 6, and complete Activity 1.1b: “My Money Habits,” on page 7.</p> <p>Discuss: Responses on Activities 1.1a and 1.1b.</p> <p>Discuss: The difference between a need and a want.</p> <p>Hang a WANTS and a NEEDS sign at opposite ends of the classroom. Arrange students in the center of the room between the two signs. You name items that students may want to purchase. Each student decides whether the item is a need or a want by moving to the respective end of the room. In each group, students describe why they selected the item as need or want.</p> <p>Students read: Module I: “Do You Need It or Do You Want It?” on page 10.</p> <p>Students complete Module 1: Activity 1.4: “My Wants and Needs: Can I tell the difference?” on page 11.</p> <p>After completing the Activity 1.4, the class rates Michael’s wish list items.</p>	<p>NEFE Module 1: “Make Over Your Money Habits” Activity 1.1a: “My Money Habits,” on pages 5 and 6 Activity 1.1b: “My Money Habits,” on page 7</p> <p>WANTS and NEEDS signs</p> <p>NEFE Module 1: page 10</p> <p>NEFE Module 1: Activity 1.4, on page 11</p>
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<p>C. Setting Financial Goals</p>	<p>Students answer the “Stop Drop and Think Before You Buy,” test questions in Module 1, on page 40. They prepare written responses on any items they “want” and “need.”</p> <p>Discuss: How do values influence our spending habits? Values differ from person to person. Values will also change as a person moves through life situations.</p> <p>Students read: “Valuing Your Values,” in Module 1 on page 12. They complete Activity 1.5: “My Values” on page 13.</p> <p>Students identify their goals and values and then create a catchy sentence or phrase that expresses a principle to guide their spending habits.</p> <p>Module 1: ‘Presentation Software: 1-2: Goals.’</p> <p>Distribute to students Module 1: “Student Learning Plans 1.2,” and introduce the following lesson concepts:</p> <ul style="list-style-type: none"> <li>• How personal goals are achieved through money goals</li> <li>• How to write effective financial goals</li> </ul> <p>Discuss: Goal setting begins by identifying the desired end result. Having financial goals can help to make personal goals a reality.</p>	<p>NEFE Module 1: page 40</p> <p>NEFE Module 1: pages 12 and 13</p> <p>NEFE Module 1: Activity 1.5</p> <p>NEFE Module 1: Money Management, Presentation Software 1.2 (<a href="http://www.hsfpp.org">www.hsfpp.org</a>)</p> <p>NEFE Module 1.2: “Student Learning Plans 1”</p> <p>NEFE Module 1: “Student Guide.” on pages 13-19</p> <p>NEFE Module 1: Lesson Plan: “Goals”</p> <p>Presentation Software 1-2: “Goals”</p> <p>NEFE Student Learning Plan 1-2: Goals</p>
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<p>D. Creating a Budget</p> <ol style="list-style-type: none"> <li>1. Income <ol style="list-style-type: none"> <li>a. Wages</li> <li>b. Rent</li> <li>c. Interest</li> <li>d. Profits</li> </ol> </li> <li>2. Expenses <ol style="list-style-type: none"> <li>a. Fixed</li> <li>b. Variable</li> </ol> </li> </ol> <p>E. Net Worth Statement</p> <p>F. Income Expense Statement</p>	<p>Students read: “Get Smart with Goals,” in Module 1, on pages 14-16. Students complete Activity 1.6: “SMART Goal Makeover,” on page 16.</p> <p>Students complete Challenge 1-A: My SMART Goals, in Module 1 on page 19.</p> <p>Guide students in writing two or three financial goals for their own lives or with others for a team, club, or family goal. Encourage the students to write goals for situations that involve spending money on big-ticket items in 3 to 12 months (intermediate goal) and more than a year from now (long-term goal).</p> <p>Distribute to students “Student Learning Plans,” for Module 1.4 and introduce the following lesson concepts:</p> <ul style="list-style-type: none"> <li>• Using a spending plan helps to manage spending habits</li> <li>• Describing a spending plan</li> <li>• Using a spending plan</li> </ul> <p>Discuss: A spending plan is a way to prepare in advance for planned purchases and to have sufficient funds on hand for unexpected expenses. To create a spending plan, you need to first identify the expected costs and savings goals and then figure out how to cover those costs (expenses) with money earned from jobs received as allowance (income).</p>	<p>NEFE “Get Smart with Goals,” on pages 14-16</p> <p>NEFE Activity 1.6: “SMART Goal Makeover,” on page 16</p> <p>NEFE Challenge 1-A: “My SMART Goals,” on page 19</p> <p>NEFE Presentation Software 1-4: “Spending Plan”</p> <p>NEFE Module 1: “Student Guide,” on pages 22-31</p> <p>NEFE Lesson Plan: “Spending Plan” (Budgets)</p> <p>NEFE Student Learning Plan 1-4 “Spending Plan”</p>
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<p>G. Methods of Acquiring Goods and Making Major Purchases</p>	<p>Have students track income and expenses over a specific period of time to be used in preparing a personal spending plan.</p> <p>Students read: “Plan for Victory,” in Module 1, on pages 22 and 23.</p> <p>Students complete Spending Plan Worksheets (Tasks 4 &amp; 5)</p> <p>Students will use completed worksheets and spreadsheet software to create a budget, net worth statement, and income expense statement.</p> <p>Brainstorming Session: How do consumers pay for goods and services?</p> <p>Discuss: The following methods of acquiring goods and services:</p> <ul style="list-style-type: none"> <li>• Borrowing</li> <li>• Renting</li> <li>• Leasing</li> <li>• Paying cash</li> </ul> <p>Students are provided with a scenario that describes a family or an individual that is going to purchase a major item. They conduct an Internet search to determine methods of payment used to purchase the item. Using the four methods of payment, students analyze the costs of each item based on the method. They determine the best method of payment for the family/individual to purchase the item and the cost comparison.</p>	<p>Tracking Form</p> <p>NEFE “Maya’s Spending Plan Task,” Task 4 in Module 1</p> <p>NEFE Calculators</p> <p>Module 1: Tasks 4 and 5</p> <p>Module 1, pages 22 and 23</p> <p>NEFE “Spending Plan Template,” Tasks 4 and 5</p> <p>Internet access</p> <p>Computer with spreadsheet software</p> <p>Sale catalogs</p>
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	<p>Students write a short paper that justifies their selected method of payment.</p> <p>Students present the results to the class.</p>	<p><b><u>Other resources for Managing Finances and Budgeting</u></b></p> <p>Practical Money Skills (For Educators, under Lesson Plans-9-12)  <a href="http://www.practicalmoneyskills.com">http://www.practicalmoneyskills.com</a></p>
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<b>Assessment of Learning</b>	<p style="text-align: center;"><b>Formative Assessments (AQTS 2.8)</b></p> <ul style="list-style-type: none"> <li>• Teacher Observation</li> <li>• Completed Student Worksheets/Tasks</li> <li>• Discussion</li> <li>• Class Participation</li> </ul>	<p style="text-align: center;"><b>Summative Assessments (AQTS 2.9)</b></p> <ul style="list-style-type: none"> <li>• Budget</li> <li>• Net Worth Statement</li> <li>• Income Expense Statement</li> </ul>
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<b>Sample Career Options</b>	Certified Financial Planner, Sales Person, Loan Officer, Investment Broker
<b>Online Experience</b>	Does this lesson address the required online experience? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please indicate length of time in minutes. <a href="#">Click here to enter text.</a>
<b>Unit/Course CTSO Activity</b> <i>(if applicable)</i>	CTSO Officers prepare a budget for their CTSO Chapter.

<b>Culminating Product</b>	<ul style="list-style-type: none"><li>• Budget</li><li>• Net Worth Statement</li><li>• Income Expense Statement</li></ul>
<b>Course/Program Credential(s):</b> <input type="checkbox"/> Credential <input type="checkbox"/> Certificate <input type="checkbox"/> Other:	