

# Lesson | Spending, Saving, and Giving: How to Use Your Money



How do we become more thoughtful and responsible about how we use our money?

## Objective

- Identify why having a budget and keeping records of their spending and saving habits helps them make better financial choices

## Time

90 Minutes

## Materials

- Using Money Wisely, printable
- Road to Riches Game, optional
- Cash Cards Interactive, optional

## BONUS

- Your students can work their way through the world of saving, giving, and budgeting with the interactive Road to Riches adventure game! And have your students practice their vocabulary with these interactive Cash Cards.

## PART I—Planning And Making A Budget

Review the following concepts with students:

- Money can be used in three ways: to spend, to save, and to give (also known as charitable giving).
- Money can be spent for things that we need and for things that we want but don't really need.
- A budget is a plan we make to use money wisely. The plan includes money that we receive and choices about how we use that money: to save, spend, or give to help others. A budget helps us to make sure that we have enough money to pay for the things we need.

Activity—Budget Activity

Students will make decisions on how to use money wisely. The activity is divided into two parts. The first part is to be completed by the students as individuals. The second part is completed as a small group activity.

### Procedure:

- Pass out the Using Money Wisely activity sheet to each student.
- Review the directions for the first section of the worksheet. Explain that for two of the items on Derek's List, the students must fill in the amount of money Derek should use for those items. Remind students that the total amount of money must equal \$50.
- After students complete the first section of the worksheet, have them discuss how they used Derek's money and have them explain their rationale for their decisions.
- For the second section of the worksheet, divide the class into small groups of 3 to 4 students.
- Review the directions for the second section. Remind students that everyone in the group must agree on how the \$100 is used and that they must put part of the \$100 into each category.
- After students complete the second section, have them discuss how they

decided to use their money and have them explain their rationale for their decisions.

- Emphasize that making a plan for using money is an important part of creating a budget.
- Ask students what considerations they would include in making a budget as an adult, such as paying for food and housing.
- Emphasize the idea that adults must plan how to use their money so that they earn enough—or have saved enough—to pay for what they need, what they want, and what they want to give (to friends or family in need or their favorite charity).

## PART II—Keeping Records

Tell your students that you are about to read a word problem to them. They are not allowed to write down any of the information and may use mental math only to answer the problem. At a moderate pace, read aloud the following problem:

“You have \$13. Your aunt gives you \$6. Then you find \$5 on the sidewalk. You spend half of your money at a basketball game. A book that you want costs \$8. How much money will you have left if you buy the book?”

Have students offer their answers without confirming if they are correct or incorrect.

- Tell your students that you are going to read the problem again. This time they are allowed to use paper and pencil as you read the problem. Read the problem again.
- Ask the students for their answers. Do the problem together step-by-step to confirm that the answer is \$4.
- Ask the students if there was an advantage to writing down the information from the problem compared with just doing mental math. Then ask them why keeping accurate records of spending, saving, and giving is important. Emphasize that good record keeping is a very important part of making a budget work.

Student Worksheet

### USING MONEY WISELY

1. Derek has earned \$50 by doing odd jobs for his family and neighbors. There is a list of ways to which he can use money for his family that are listed below. Enter the amount of money that he has earned in the box next to each item. The total amount of money that he has earned is \$50.

**Derek's List**

| Item                                       | Amount          |
|--|-----------------|
| A. Buy a new pair of shoes for his family. | \$ _____        |
| B. Buy a new pair of shoes for his family. | \$ _____        |
| C. Buy a new pair of shoes for his family. | \$ _____        |
| D. Buy a new pair of shoes for his family. | \$ _____        |
| E. Buy a new pair of shoes for his family. | \$ _____        |
| <b>TOTAL</b>                               | <b>\$ _____</b> |

**ENTER AMOUNTS HERE**

A. \$ \_\_\_\_\_

B. \$ \_\_\_\_\_

C. \$ \_\_\_\_\_

D. \$ \_\_\_\_\_

E. \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

**SAVING:** What will you do with your money? \_\_\_\_\_

**SPENDING:** What will you spend your money on? \_\_\_\_\_

**CHORES:** What will you do with your money, and who will it help? \_\_\_\_\_

**Follow-up Writing Activity:**

- Have students pretend they are writing an advice column for the newspaper. A reader asks, “I get money as gifts and from doing odd jobs, but I never seem to have enough money for the things that I want. What should I do?” Have students offer advice about budgeting and record keeping by writing a one- or two-paragraph response to the reader’s question.

# USING MONEY WISELY

1. Derek has earned \$50 by doing odd jobs for his family and neighbors. There are a lot of ways he wants to use his money, but he doesn't have enough money for all of them. He needs your help. Circle YES or NO for each item on Derek's list. Remember, the total amount of money must be \$50, no more, no less. Use the worksheet to the right to figure out your total.

## DEREK'S LIST

A. The animal shelter really needs food for the animals. Should Derek give to the animal shelter?

- YES (How much? \$\_\_\_)
- NO

B. Derek really wants to download a new album by his favorite band, Three Green Monkeys. The album costs \$10. Should he buy it?

- YES
- NO

C. Derek has lost his backpack. A new backpack costs \$25. Should he buy one?

- YES
- NO

D. A video game that Derek has always wanted is on sale. It only costs \$25. Should he buy it?

- YES
- NO

E. Derek's family is going on vacation this summer and he wants spending money. His parents said they would give him a dollar for every dollar he saves. Should he save some of his money?

- YES (How much? \$\_\_\_\_\_)
- NO

| ENTER AMOUNTS HERE |    |
|--------------------|----|
| A.                 | \$ |
| B.                 | \$ |
| C.                 | \$ |
| D.                 | \$ |
| E.                 | \$ |
| <b>TOTAL</b>       | \$ |

2. Pretend that you and your friends have earned \$100 altogether by doing odd jobs in your neighborhood like raking leaves and walking pets. You must all decide how you will use the \$100. You must put some money into SAVINGS, some money into SPENDING, and some money into GIVING.

### SAVINGS:

How much? \_\_\_\_\_ What will your group be saving for? \_\_\_\_\_

### SPENDING:

How much? \_\_\_\_\_ What will your group buy? \_\_\_\_\_

### GIVING:

How much? \_\_\_\_\_ Where will you donate your money, and who will it help? \_\_\_\_\_

