



MOUNTAIN MONEY ADVENTURES

KID'S CAMP

Ages
4-12

Budgeting

{ <http://youth.macu.com> }

Mountain America Credit Union knows that it's never too early to start learning critical money management skills. That's why we've put this information together for teachers and educators to use. *Educating today's youth for a better tomorrow.*

MOUNTAIN AMERICA
CREDIT UNION

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UNIT:

Budgeting

OVERVIEW

These activities will introduce children to the concepts of both personal budgeting and sales tax.



LESSON #1

Money Needs, Money Choices

Children will learn how to make wise and appropriate choices based on limited funds, needs, and desires.



LESSON #2

Your Personal Spending Plan- The Budget

Students will understand that a budget is a set plan for how money will be spent. This activity lets children balance income and expenses. It also teaches students to include taxes in their calculations. Finally, it offers guidelines for making money choices based on needs first and desires second.

LESSON #1

Money Needs, Money Choices

In this activity, students are given an imaginary weekly allowance. They will make decisions about how to spend the allotted funds.

DISCUSSION

- Have you ever wanted something that you couldn't afford?
- Describe methods of earning income for something that you want to buy.
- Have the class create a list of needs, and then a list of wants.

OBJECTIVE & KEY POINTS

Objective: Students will develop a needs based criteria as the basis for spending and budgeting decisions.

Keypoints:

- Learning to manage money requires knowing the difference between wants and needs. Needs are required to survive (food, clothing and shelter), wants are desires that might make life easier or more pleasant, but aren't necessary (television, new sofa)
- A Budget is a written plan that uses you expected income to decide how you will spend the funds before you even get them.
- Monthly expenses are those things that most people spend money on regularly. These include both needs (rent, grocery bill) and wants (video rentals, eating out).
- Most people don't have enough money to every single thing they want. These limited funds require you to make some tough decisions. Knowing the difference between wants and needs will help you make wise choices.
- A trade off is when you sacrifice one thing for another. For instance, you can't afford to buy both the comic book and the jump rope. You may give up one, or look for other options. Trade offs can include: buying cheaper items, getting something similar, giving up one item for another, or finding another solution to the want or need

ACTIVITIES & MATERIALS

STUDENT WORKSHEET — "A Weekly Budget."

Henry's weekly budget will teach children to understand that income and expenses need to balance, and that taxes need to be included in budget planning.

STUDENT WORKSHEET

STUDENT NAME: _____

A Weekly Budget

Introducing **Henry the Hiker**

Henry's Weekly Budget			
DESCRIPTION	INCOME (+)	EXPENSES (-)	\$ AVAILABLE
Allowance	\$10.00		\$10.00
Snacks		\$2.00	\$8.00
Entertainment		\$5.00	\$3.00

PROBLEMS - (Please show your work below each problem.)

Suppose that every week, Henry earned a \$10 allowance (income) for making his bed, washing dishes and feeding the dog every day. Use the information in the Weekly Budget above to answer the following questions.

- Henry wants to go to a money camp that costs \$20. Henry has to pay for the camp in advance, so he decides to combine both his entertainment budget and the leftover money (the available money). How many weeks will it take Henry to have enough money to go to money camp?
- This week, Henry didn't spend any money on snacks! Will Henry have enough money now to go to a movie that costs \$6.50? If so, explain how.
- Henry wants to put \$1.00 each week into his savings account. What category would he put the \$1.00 under?

TEACHER'S REFERENCE

A Weekly Budget

Introducing **Henry the Hiker**

Henry's Weekly Budget			
DESCRIPTION	INCOME (+)	EXPENSES (-)	\$ AVAILABLE
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Snacks		\$2.00	\$8.00
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PROBLEMS - (Please show your work below each problem.)

Suppose that every week, Henry earned a \$10 allowance (income) for making his bed, washing dishes, and feeding the dog every day. Use the information in the Weekly Budget above to answer the following questions.

- Henry wants to go to a money camp that costs \$20. Henry has to pay for the camp in advance, so he decides to combine both his entertainment budget and the leftover money (the available money). How many weeks will it take Henry to have enough money to go to money camp?

(3 weeks)

- At the end of each week, Henry has \$3.00 available in his budget, plus a budgeted \$5.00 a week for entertainment, for an available total of \$8.00 a week. After three (3) weeks he will have \$21.00 which is enough for the \$20.00 fee for the money camp.
- This week, Henry didn't spend any money on snacks! Will Henry have enough money now to go to a movie that costs \$6.50? Explain how.

(YES)

- Add the \$2.00 Henry will save (by not purchasing snacks) to the \$5.00 he has budgeted each week for entertainment. The total of these two amounts (\$7.00) is enough to buy a \$6.50 movie ticket.
- Henry wants to put \$1.00 each week into his savings account. What category would he put the \$1.00 under?

(EXPENSES)

LESSON #2

The Personal Spending Plan- The Budget

Students will understand that a budget is a set plan for how money will be spent. This activity lets children balance income and expenses. It also teaches students to include taxes in their calculations. Finally, it offers guidelines for making money choices based on needs first and desires second.

DISCUSSION

- Where in your life do you use a plan or a schedule? (School day, TV viewing schedule, sports game schedule). How would these activities be different if there was no plan in place?
- Can you think of a way that an organized plan might help you manage your money? (Saving for a toy, buying a gift, going out with friends).
- How do you imagine that people plan for their money?

OBJECTIVE & KEY POINTS

Objective: Students will demonstrate the use of needs based criteria in deciding how to budget and spend their money.

Key Points/Questions to Answer

- What is a budget? A written plan for how you will spend your income.
- How a budget works- You start with the amount of income for a certain timeframe (like a month) and then decide what you will spend that money on. A budget will always balance to zero.
- Why create a budget? To insure that all your needs are taken care of.
- When should you create a budget? Before you come across a need. Planning for big tick items ahead of time, by saving small amount, is one of the most powerful uses of budgeting.
- Who needs it? You do. Everyone with money should have a plan to make sure they take care of their basic needs before spending money on extras.

ACTIVITIES & MATERIALS**STUDENT WORKSHEET — “Henry’s Wish List.”**

Students will decide how to spend Henry’s money based on a limited budget, and numerous choices. Students will incorporate sales tax into their calculations.

STUDENT WORKSHEET — “Your Personal Budget.”

This activity allows students to create their own personal budget.

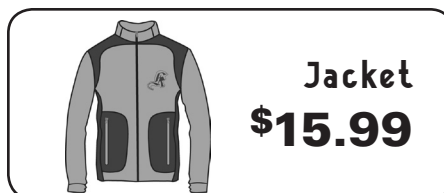
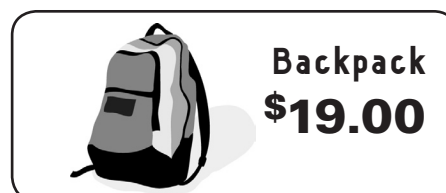
STUDENT ACTIVITY

Henry’s Wish List

Shopping With A Budget

Henry's Wish List

 Budget:
\$100.00

 Sales Tax:
10%


Imagine that Henry has saved his most of his allowance for a long time. Now it's time to go shopping for the camping gear he has wanted! But don't forget — Henry has to pay sales tax.

Answer the following questions below. Henry has budgeted \$100 to spend. Above, he also has made a list of what he'd like to buy. Also, the sales tax is 10%.

PROBLEMS - (Please show your work below each problem.)

- How much will it cost to buy 1 tent and 2 flashlights? Remember to calculate 10% sales tax and add it to the total. (Round up to the nearest cent.)
- Can you buy 1 tent, 1 sleeping bag and 1 pair of hiking boots, and yet stay within Henry's \$100 budget? Remember to calculate 10% sales tax and add it to the total.

CONTINUED ►

STUDENT WORKSHEET

STUDENT NAME: _____

Shopping With A Budget

3. How much, with sales tax, is the least you can spend if you buy at least 1 item? Don't forget the 10% sales tax! (Round up to the nearest cent.)
4. Which combination of items can you purchase without spending more than \$100, including 10% sales tax? (Circle the letter of the correct answer.)
- a. 2 flashlights, 1 tent, and 1 pair of hiking boots
 - b. 1 backpack, 1 tent and 1 pair of hiking boots
 - c. 1 pair of hiking boots, 1 sleeping bag, and 1 jacket
 - d. 10 flashlights

TEACHER'S REFERENCE

Shopping With A Budget



Henry's Wish List

 Budget:
\$100.00

 Sales Tax:
10%

 Tent
\$45.99

 Sleeping Bag
\$28.95

 Hiking Boots
\$38.95

 Backpack
\$19.00

 Jacket
\$15.99

 Flashlight **\$12.99**

Imagine that Henry has saved his most of his allowance for a long time. Now it's time to go shopping for the camping gear he has wanted! But don't forget — Henry has to pay sales tax.

Answer the following questions below. Henry has budgeted \$100 to spend. Above, he also has made a list of what he'd like to buy. Also, the sales tax is 10%.

PROBLEMS - (Please show your work below each problem.)

- How much will it cost to buy 1 tent and 2 flashlights? Remember to calculate 10% sales tax and add it to the total.

(\$79.17)

- Can you buy 1 tent, 1 sleeping bag, and 1 pair of hiking boots, and yet stay within Henry's \$100 budget? Remember to calculate 10% sales tax and add it to the total.

(No. The total is \$125.28 with tax.)

CONTINUED ►

TEACHER'S ANSWER KEY

Shopping With A Budget

3. How much, with sales tax, is the least you can spend if you buy at least 1 item? Don't forget the 10% sales tax!

(\$14.29 if you buy 1 flashlight with sales tax added.)

4. Which combination of items can you purchase without spending more than \$100, including 10% sales tax? (Circle the letter of the correct answer.)
- a. 2 flashlights, 1 tent, and 1 pair of hiking boots
 - b. 1 backpack, 1 tent and 1 pair of hiking boots
 - c. 1 pair of hiking boots, 1 sleeping bag, and 1 jacket
 - d. 10 flashlights

(c)

STUDENT WORKSHEET

STUDENT NAME: _____

Building Your Own Budget

INSTRUCTIONS:

You are going to create your personal monthly budget. If you don't know exactly how much you will bring in, estimate. If you have no idea pretend that you will have \$100 coming in when you get to part B.

1. Column D is for your available cash. Write down any cash you have right now. It can be in the bank, from gifts, or from earned income.
 2. Column B, second row is for anticipated monthly income.
 3. Add the amount in column B to the amount in column D and write in column D below your first entry.
 4. Write your first anticipated expense on the next available line in column A, and the corresponding dollar amount in column C.
 5. Subtract the C amount from your D total, and write the new total below in column D. Do this until all your expenses are accounted for.
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- Do you have money left over? Account for it in some way. Either put it into future spending account for a specific goal, or mark it as savings.
 - Did you run out of funds? What are your options? Do you need to make some tradeoffs, or can you create more income?

MONTHLY BUDGET FOR:

A	B	C	D
DESCRIPTION	INCOME (+)	EXPENSES (-)	\$ AVAILABLE
TOTALS:			