

Budgeting for a fun day with a friend

While planning a fun day with a friend, students make decisions about how to budget their money.

Learning goals

Big idea

People face spending decisions every day.

Essential questions

- What should be included in a budget?
- How can having a budget help me manage my money?

Objectives

- Explore criteria for making spending decisions
- Understand the role of spending in their lives

What students will do


- Make spending decisions for a fun day with a friend.
- Create a budget for their outing.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Financial habits and norms

Grade level: Middle school (6-8)

Age range: 11-14

Topic: Spend (Budgeting, Buying things)

School subject: CTE (Career and technical education), English or language arts, Math

Teaching strategy: Competency-based learning, Personalized instruction, Simulation

Bloom's Taxonomy level: Apply, Analyze

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 4-2, 8-1, 12-1, 12-9

Saving: 4-2, 8-2

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- While it's not necessary, completing the "[Learning about budgets](#)" activity may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- [Budgeting for a fun day with a friend \(guide\)](#)
[cfpb_building_block_activities_budgeting-fun-day-friend_guide.pdf](#)

STUDENT MATERIALS

- [Budgeting for a fun day with a friend \(worksheet\)](#)
[cfpb_building_block_activities_budgeting-fun-day-friend_worksheet.pdf](#)

Exploring key financial concepts

People make decisions about how to spend their money every day. An important part of managing your money is carefully planning and budgeting for special trips and events. Creating a budget can help you figure out if you have enough money to cover your monthly obligations and still save for something extra you may want for yourself or your family.

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Explain that students will create a budget for a fun day with their friends.
- Ask students if anyone has ever saved money to attend an event or go on a trip.
 - Have them discuss what that process was like.
 - Ask them to share whether they stayed within their budget.
 - Tell students that one rule to live by is to save a certain percentage every time you get money. Some people save 20 percent of their money.

- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
 - **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for emergencies or to make specific purchases.
- Distribute the “Budgeting for a fun day with a friend” worksheet and review it with students.

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual work

- As students review the worksheet, ask them to imagine that they’ve saved up \$80 over the summer. Emphasize that they have no more than \$80.
 - Be sure students understand that the costs in the worksheet are only examples; actual costs may be higher or lower.
- Ask students to discuss why it’s important to have money put away in savings.
 - Have them think about their approach to saving money.
 - It may be helpful to share that while there’s no right amount to save, it’s helpful to set some savings rules for yourself.
 - Give them some examples of savings rules.
 - Some people put a percentage of the money they make into savings.
 - Others set rules for how much money they’re willing to take out of savings for important expenses.
- Make sure students understand the task before they complete the steps on the worksheet.
- Have students complete the reflection questions at the end of class.

Wrap-up

- Bring the class back together to discuss the decisions they made.
- You can use the following questions to drive discussion:
 - Which activity(ies) did you choose?
 - What was the total cost for your day?

- What was the largest expense in your budget?
- Was it easy or difficult to make your decisions?
- What did you have to give up to stick to your budget?
- How much money did you choose to save?
 - Encouraging students to really listen to one another’s decision-making process can help them learn new approaches to saving. This can help them develop their own financial habits and norms.
- Leave about five minutes for students to complete the reflection questions on their own at the end of class.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending, including budgeting or buying things. Suggested activities include [“Paying for afterschool activities”](#) and [“Comparing video game subscriptions.”](#)

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students’ answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.