

Budget Blast

Time Needed: One to two class periods

Materials Needed:

Student worksheets

Copy Instructions:

Student packet (*4 pages double-sided; class set*)

Transparencies (*Average Salaries, Instructions*)

Learning Objectives.

Students will be able to:

- develop a sense of the costs of goods and services and the average annual salaries for multiple professions through a simulation.
- make financial decisions by weighing possible alternatives or options when creating a monthly budget for themselves.
- identify the differences between basic needs and wants, evaluating their own budget for needs and wants expenditures.

STEP BY STEP

- ANTICIPATE** the lesson by asking students the following question: "What is a budget? What does it mean to stay 'under budget' or 'within budget'?"
- DISTRIBUTE** budgeting worksheet packets (3 pages).
- INTRODUCE** the first page by telling students that they are going to have an opportunity to plan their future. There are five main choices that they need to make: marital status, children, home, car, and career.
- INSTRUCT** students, after they've made their life choices, to turn to worksheet, p.2.
- PROJECT** the average salary list transparency or page for students and help them find their chosen career. They should record the average salary for their career.
- REVIEW** instructions for steps two and three on worksheet, p.2. It may be helpful at this point to distribute calculators for your students, or use this as an exercise in mental math. Either way, circulate to ensure that students are completing steps two and three correctly.
- DIRECT** students attention to worksheet, p.3. Tell students that they are going to set up a budget, but that there are certain rules they have to follow based on their previous life choices.
- PROJECT** the budgeting instructions transparency or page for students and talk them through the first few boxes, until they gain an understanding of how to follow the instructions.
- INSTRUCT** students to develop their budgets independently, circulating to check for understanding. You can also have students who have grasped the instructions work as peer instructors, helping others create their budgets.
- REVIEW** instructions for steps five and six on worksheet, p.2. Students should determine what kinds of adjustments need to be made and return to work on their budgets.
- DISTRIBUTE** the reading "Needs and Wants" to students as they complete their budget. They will need to keep their budgets to complete the reading activity.

Budget Blast

Accountant (\$54,600)	Industrial Production Manager (\$83,952)
Actor (\$43,411)	Insurance Sales Agent (\$62,489)
Administrative Assistant (\$27,400)	Interior Designer (\$58,151)
Advertising Manager (\$78,654)	Interpreter (\$39,255)
Aerospace Engineer (\$72,590)	Judge (\$109,842)
Air Traffic Controller (\$107,780)	Landscape Architect (\$61,927)
Aircraft Pilot (\$148,810)	Lawyer (\$102,698)
Architect (\$73,650)	Legal Assistant (\$44,881)
Artist or Related Career (\$23,520)	Librarian (\$67,259)
Astronomer (\$97,320)	Machinist (\$49,742)
Athlete (\$56,120)	Massage Therapist (\$38,762)
Athletic Trainer (\$33,940)	Mathematician (\$64,372)
Automotive Service Technician or Mechanic (\$33,160)	Medical Laboratory Technician (\$40,927)
Barber (\$21,200)	Meeting or Convention Planner (\$50,787)
Biological Scientist (\$68,950)	Model (\$34,980)
Biomedical Engineer (\$67,690)	Musician (\$49,849)
Bus Driver (\$26,017)	Nuclear engineer (\$92,576)
Cardiovascular Technologist/Technician (\$38,690)	Nurse (\$65,120)
Carpenter (\$49,990)	Nutritionist (\$50,407)
Carpet, Floor, and Tile Installer (\$39,595)	Occupational Therapist (\$70,565)
Cashiers (\$23,877)	Optometrist (\$91,964)
Chef, Cook, or Food Prep Worker (\$42,723)	Painter (\$44,647)
Chemical Engineer (\$76,770)	Paralegal (\$60,998)
Childcare Worker (\$22,982)	Paramedic (\$33,382)
Chiropractor (\$69,910)	Pharmacist (\$107,431)
Choreographer (\$33,670)	Pharmacy Technician (\$30,283)
Civil Engineer (\$64,230)	Photographer (\$30,363)
Clergy (\$63,130)	Physical Therapist (\$70,113)
Coaches (\$28,350)	Physician Assistant (\$90,580)
Computer Scientists (\$85,190)	Physician (\$188,174)
Computer Software Engineer (\$85,660)	Physicist (\$119,386)
Construction or Building Inspector (\$41,620)	Police or Detective (\$42,910)
Construction Laborer (\$37,753)	Probation Officer (\$50,284)
Construction manager (\$69,870)	Professor (\$79,849)
Cosmetologist (\$21,800)	Psychologist (\$66,380)
Curator (\$36,470)	Public Relations Specialist (\$45,348)
Customer Service Representative (\$27,020)	Radiation Therapist (\$73,266)
Dancer (\$20.33/hr)	Radio Equipment Installer or Repairer (\$58,388)
Dental Hygienist (\$64,910)	Radio Operator (\$51,175)
Dentist (\$153,541)	Radiologic Technologist or Technician (\$53,021)
Dietitians (\$48,090)	Rail Transportation (\$53,955)
Economist (\$121,274)	Real Estate Broker or Sales Agent (\$41,760)
Electrical or Electronic Engineers (\$73,528)	Real Estate Managers (\$55,017)
Electrical or Electronics Installer/Repairer (\$52,435)	Receptionist (\$30,072)
Electrician (\$62,791)	Reporter (\$40,549)
Emergency Medical Technician (\$40,157)	Retail Salesperson (\$31,049)
Engineer (\$82,582)	Secretary (\$37,389)
Farmer, Rancher, or Agricultural Manager (\$61,481)	Security Guard (\$24,542)
Fashion Designer (\$73,819)	Singer (\$49,849)
Financial Manager (\$94,694)	Social Worker (\$41,982)
Firefighting Occupation (\$55,932)	Statistician (\$46,033)
Fisher or Fishing Vessel Operator (\$41,471)	Surgeon (\$263,893)
Fitness Worker (\$30,727)	Surgical Technologist (\$40,895)
Flight Attendant (\$37,357)	Taxi Driver or Chauffeur (\$20,369)
Food Service Manager (\$41,780)	Teacher (\$46,702)
Graphic Designer (\$45,007)	Umpire (\$21,260)
Home Appliance Repairer (\$35,960)	Veterinarian (\$91,565)
Hotel, Motel, or Resort Desk Clerk (\$21,470)	Veterinary Technologist or Technician (\$31,247)
Human Resources Managers or Specialist (\$79,032)	Writers and Editors (\$57,669)

Budget Blast

BUDGETING INSTRUCTIONS

HOUSING: Rent/Mortgage	Insurance
Apartment: \$1,200	\$10
Town House: \$3,000	\$40
House: \$4,570	\$70
Mansion: \$10,982	\$150

IF MARRIED, DIVIDE BY TWO



FOOD/CLOTHING:

- The minimum for groceries should be \$200/month. All other categories are open.
- After total has been found, multiple total by number of children.



HEALTH/BEAUTY:

Insurance: \$116.00 x number of children

- All other categories are open.



UTILITIES:

	Apartment	Townhome	House	Mansion
Electricity:	\$30	\$85	\$150	\$210
Water/Sewer:	\$10	\$15	\$25	\$50
Natural Gas:	--	\$30	\$80	\$110

Telephone: This is an open category.

IF MARRIED, DIVIDE BY TWO



TRANSPORTATION:

	Minivan	Sedan	Sports Car	Truck
Car Payments:	\$600	\$450	\$800	\$720
Car Insurance:	\$100	\$85	\$150	\$120

Car Maintenance: This is an open category.

Public Transportation: This is an open category.



ENTERTAINMENT:

- All categories are open.
- Must multiply **movies** and **music** by number of children.



SAVINGS/INVESTMENTS:

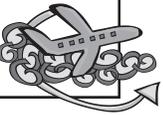
College Fund: \$50 x number of children

- All other categories are open.



MISCELLANEOUS:

- All categories are open.
- Must multiply **travel** and **gifts** by number of children.



Budget Blast

Name: _____

Step One. Circle one item in each row from marital status to career.

		Single		or		Married				
How many kids?		None	1	2	3	4	5	other _____		
House		Apartment Rather let someone else cut the grass? Rent this beautiful 2-3 bedroom apartment.		Town House If the urban feel is for you, so is this stunning townhome. At 3 bedrooms it's a steal!		Home Everyone needs more space, so why not choose this spacious 4 bedroom home.		Mansion You have a ton of stuff and need more space. 12 bedrooms of space? Then this is for you!		
	Car		Minivan Practical for large families, this minivan seats seven and will carry a ton more! Great for families of all sizes!		Sedan A practical car with good gas mileage, the sedan will seat five comfortably and is good for long-distance driving.		Sports Car Who cares about seating? This baby seats two, and can get from 0 to 60 in record time. Not very kid-friendly.		Truck Who doesn't need to haul stuff? This truck will serve all your hauling needs, and comfortably seats four.	
		Career		Medical Dentist, Doctor, Nurse, Pharmacist, Therapist, etc.		Legal Lawyer, Judge, Paralegal, Assistant, etc.		Education Teacher, Professor, Principal, etc.		Entertainment Dancer, singer, actor, actress, painter, athlete, coach, etc.
				Science & Math Engineering, Researcher, Mathematicians, Statisticians, etc.		Service Police, Fire, EMT, Retail, Beauty, Clergy, Cook, etc.		Business Insurance, Management, Real Estate, etc.		

Budget Blast

Name: _____

Step Two. Find out how much you would make *on average* in your chosen career.

Career: _____ Salary: _____



Step Three. Find out how much you're paying in TAXES! Keep in mind that these are only FEDERAL taxes. There are several other kinds of taxes that you would pay in real life.

These are called tax brackets. You pay taxes based on how much you earn. Circle the tax bracket that applies to the career you've chosen!

10%	\$0—\$8,375
15%	\$8,375—\$34,000
25%	\$34,000—\$82,400
28%	\$82,400—\$171,850
33%	\$171,850—\$373,650
35%	\$373,650+

$$\frac{\text{_____}}{\text{(Salary)}} \times \frac{\text{_____}}{\text{(Percentage of Taxes)}} = \frac{\text{_____}}{\text{(Total Taxes Paid)}}$$

$$\frac{\text{_____}}{\text{(Salary)}} - \frac{\text{_____}}{\text{(Total Taxes Paid)}} = \frac{\text{_____}}{\text{(Spensible Income)}}$$



Now it's time for you to set a budget. Go to worksheet p. 3 and do your best to set a monthly budget. Follow the instructions that the teacher gives you carefully!

Step Five. Are you making enough money to live with the budget that you set?

$$\frac{\text{_____}}{\text{(Monthly Budget)}} \times 12 = \frac{\text{_____}}{\text{(Total Yearly Spending)}}$$

$$\frac{\text{_____}}{\text{(Spensible Income)}} - \frac{\text{_____}}{\text{(Total Yearly Spending)}} = \text{_____}$$

Step Six. Time to make adjustments!



If you got a **positive number**, you're all set! You are making more than you plan to spend, so there will be extra money for your savings account.



If you got a **negative number**, it's time to look back at your budget and make some changes!

Budget Blast

Name: _____

Monthly Budget

Step Four. Fill out this budget as best you can using the numbers your teacher gives you.

Remember, you're figuring out how much you'll spend on an item each month!



HOUSING:

Rent/Mortgage: _____

Insurance: _____

Home Repairs: _____

Home Improvements: _____

Home Goods: _____

TOTAL: _____



HEALTH/BEAUTY:

Insurance: _____

Out of Pocket Expenses: _____

Fitness: _____

Grooming: _____

TOTAL: _____



TRANSPORTATION:

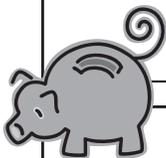
Car Payments: _____

Car Insurance: _____

Car Maintenance: _____

Public Transportation: _____

TOTAL: _____



SAVINGS/INVESTMENTS:

Savings: _____

Retirement: _____

Stocks/Bonds: _____

College Fund: _____

TOTAL: _____

FOOD/CLOTHING:

Groceries: _____

Dining Out: _____

Snacks: _____

Clothes: _____

Shoes: _____

TOTAL: _____



UTILITIES:

Electricity: _____

Water/Sewer: _____

Natural Gas: _____

Telephone: _____

TOTAL: _____



ENTERTAINMENT:

Movies: _____

Music: _____

Cable: _____

Internet: _____

Computer: _____

TOTAL: _____



MISCELLANEOUS:

Travel: _____

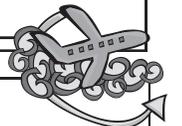
Pets: _____

Gifts: _____

Donations: _____

Other: _____

TOTAL: _____



Monthly Budget Total: _____

Needs and Wants

Tanya was a middle school student. She was good at math, had some trouble with English, and excelled at sports. She lived with her parents, her grandmother, and her two sisters. Her parents gave her a weekly allowance as long as she completed simple chores. She really disliked chores, but she really liked her weekly allowance so she did them anyway. Every week she would get excited about things to buy.

Things change though, and when the economy started to have troubles, so did Tanya's family. Her dad lost his job and her mother's hours got cut, which meant she was bringing home less money. Tanya's parents explained that they wouldn't be giving her an allowance anymore. "But how will I buy the things I need?" Tanya asked her grandmother. "Tanya," her grandmother replied, "it's time for you to learn the difference between things you *need* and

What do you think Tanya's grandmother means about the difference between wants and needs?



"A need," continued Tanya's grandmother, "is something that is required for survival. A want is something you would like to have, but don't actually need."

"I see!" said Tanya. "Things like food and housing are needs, and things like candy and CDs are wants!"

"Exactly," said Grandma. Tanya shared this new information with her parents and together they sat down to talk about their budget. They decided that a good way to help cut spending in their budget was to put an "N" next to things they needed to spend money on and a "W" next to things that they just wanted. Those were the areas in which they could start saving money!

Now it's *your* turn to follow the example Tanya's family has set:

Step One. Look at your monthly budget and put an "N" next to needs and a "W" next to wants.

Step Two. Then make a list of five of each of them here:

NEEDS	WANTS
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.