

Lesson plan “Home Economics”

Description of the activity

In this lesson plan students will discover the basics of budgeting and keeping track of their money spending. They will learn that it is an essential part of their daily life, especially when they no longer depend on their parents. It familiarises them with the term “managing budget” and will help them plan and control their expenses. They will be presented with different case scenarios and they will try to find a solution to the problems posed by the scenarios. Secondly, students will try to create their own budget plans. Students can work individually for the first teaching period and in small groups during the second.

SUPPLIES: • Notebooks • Computers or tablets • Internet access • Projector • Student worksheets (2)

PREPARATION:• Copy student activity sheets

Methodology

Lesson part	What do we do?	objectives
Investigation duration 20mins	<ol style="list-style-type: none"> 1. Arrange students in small groups to have them ready for the 2nd teaching period. Begin by asking students if they wish to purchase sth. What is this? Do they wish to pay for further education? Do they wish to have a certain amount of money at a certain time in the future? Maybe at a certain age? 2. Ask students to share with the class their thoughts about how they will achieve their financial goals. Stress the importance of spending and saving. This balancing between spending & saving is called a budget. In order to have a balanced budget one must keep track of spending & saving, usually on a monthly basis, so as to control the procedure better. 3. The money coming in our wallets and the money coming out of it is called cash flow, just as waves come in and out. The difference is that humans can control this flow, by holding a tight budget. 	This investigation activity is designed to catch the learners’ attention, promote inquiry skills and engagement with the lesson. Also it allows students to exercise problem-solving abilities. It introduces students to a larger concept, does not have a right or wrong answer, and requires higher order thinking skills. Furthermore it strengthens critical thinking skills, cooperation and communication skills between learners. Students are able to generate ideas and concepts concerning the way they perceive their inclinations and priorities in life.
Money in, money out, it flows around and about duration 25 mins	<ol style="list-style-type: none"> 1. Students note down their expenses the previous 2 days. They must write everything they have spent money on. 2. Volunteers share their notes with the rest of the class. 3. Teacher writes them on the board and explains that expenses fall into 2 major categories: Fixed expenses= rent, cellphone bill, utilities’ bills, mortgage etc. Variable expenses=food, gas in the car, clothing etc. Students give some more examples to establish clarification of these terms. 	<ol style="list-style-type: none"> 1. Teacher presents new material. 2. Teacher presents the stimuli , characteristic to the new material. 3. Teacher stimulates recall of previous students’ experiencesTeacher models lesson and guides it through small steps. 4. Students’ learning is supported by gaining useful information on the topic. 5. Teacher gives the purposeful direction of the learning process.

	<ol style="list-style-type: none"> 4. Ask students to categorise their future purchases (of all kinds) into the 2 categories they have just learned. 5. Teach students that, as they become more independent, their expenses will vary, becoming more fixed and less variable, eg buying a car with installments, poses a fixed expense on them...The more they familiarise with fixed & variable expenses, the more they will be able to construct a positive budget. 6. In the same way, we need to monitor our money influx so as to keep the budget balanced. 7. Explain that when you have a job, you earn what is called a gross income. This is the total amount of money you earn before taxes every year. Explain that state, and social security taxes are all deducted from your gross income (self-employed individuals also pay a self-employment tax). Once taxes are deducted from your gross pay, you are left with what is called net pay. This is the amount of money that comes into your wallet and with this amount of money you start building your budget. 	<ol style="list-style-type: none"> 6. This process aids in the learning process by allowing the student to explore the knowledge independently.
Here ends the first teaching period.		
<u>Let's nail the budget!</u> Duration 20 mins	<ol style="list-style-type: none"> 1. Students are divided in groups 2. Have students study three different budget case scenarios showing fixed and variable expenses. Their task will be to decide which budget is the most effective in meeting the person's individual budget requirements. 3. Teacher hands out the worksheet, "Let's nail the Budget! Who's the winner?" and ask students to work in groups of 4–5 to assess and comment on the budgets. Ask each group to evaluate which budget is the most successful, fulfilling the budgeter's needs. . What corrections/ amendments could be made to meet the budget objective sooner? Invite each group to share their answers, and then discuss as a class. 	<ol style="list-style-type: none"> 1. Formation of collaborative learning environment. 2. Learners are challenged as they listen to different ideas, evaluate diverse argumentation and are required to articulate and defend their ideas. 3. Learners begin to create their own unique conceptual frameworks and not rely solely on an expert's or a text's framework. They practise their deductive skills & solve problems using critical thinking. 4. In this collaborative learning setting, learners have the opportunity to converse with peers, present and defend ideas, exchange diverse beliefs, question their peers' rationale, and be actively engaged. 5. Students develop higher-level thinking, oral communication, self-management, persuasion and leadership skills
<u>Work your Budget & it'll work for you!</u> Duration 25 mins	<ol style="list-style-type: none"> 1. Distribute the student worksheet, "Work your budget & it'll work for you!" and explain that students will now get a chance to create their own budget. 2. Invite students to share their budgets with the class. 	<ol style="list-style-type: none"> 1. Consolidation of newly acquired knowledge. 2. Adaptation in real life conditions. 3. Learners are equipped with vital skills to manage in real life conditions, indepentently, maturely, positively, determinedly.

		<div>4. This short term activity will have a long term impact on learners in way of integrating their knowledge on the subject.</div> <div>5. With this activity students have internalized knowledge and skills, enabling them to be able to extend, build on, transfer and apply that understanding.</div>

Worksheet: “Let’s nail the budget!”

Case scenario A				
<p>Nikos is 17 years old. He works 15 hours a week at the department store in the outskirts, and his net income after taxes is 600€ a month. He lives in his house with his family, so he doesn’t have rent, utility or food expenses. His older brother drives his own car and lets him borrow it to drive to work for 100€ each month; When Nikos cannot use the car, he commutes. He really wants to buy a car, so he puts money toward savings. Nikos also pays for his cell phone and personal expenses, such as going to the movies, buying video games and entertainment. Below is Nikos’ estimated budget and what he actually spent in one month’s time. Analyze his spending to determine whether he is on the right track to buy the new car.</p>				
Net Income: 600€/month				
	Budget Targets	Actual Budget		
Fixed Expenses				
Savings for a Car	200€	0€		
Cell Phone	75€	100€		
Payment to his Brother	100€	100€		
Variable Expenses				
Public Transportation	50€	60€		
Entertainment	50€	75€		
Personal Shopping	100€	175€		
Occasional Spending (gifts, repairs, etc.)	25€	100€		
Is Nikos nailing his budget? Write your comments here.				

Case scenario B

Sofia just graduated from university and accepted her first job as an english teacher in a well known private foreign language school in her region. She can't believe that her monthly net salary will be 3,000€. She just moved into a one-bedroom apartment, so she has to pay for rent, utilities, food and other household expenses. She is paying off a university loan and she wants to save as much money as she can to buy a new apartment someday. She owns a car and likes going out with friends at the weekend.

Below is Sofia's estimated budget and what she actually spent in one month's time. Analyze her spending to determine whether she is on the right track to buy the new apartment.

Net Income: 3,000€/month

	Budget Targets	Actual Budget		
Fixed Expenses				
Savings for House	450€	150€		
Rent	600€	600€		
Car Payment	350€	350€		
Car Insurance	150€	150€		
Internet/pay TV	110€	110€		
Cell Phone	75€	105€		
University Loan	300€	300€		
Variable Expenses				
Gas	100€	175€		
Food	250€	300€		
Entertainment	100€	250€		
Personal shopping	75€	300€		
Utilities	200€	275€		
Occasional spending	150€	250€		
Is Sofia nailing her budget? Write your comments here.				

Case scenario C				
<p>Kostas is in his last year in high school and works 30 hours per week at a the local supermarket. His net income after taxes is 1,500€ and he is putting money aside for college education abroad. He has a car for which he pays installment each month, but he lives with his parents so he doesn't pay for rent, home bills and food. He occasionally goes out with friends and has some personal expenses, but he tries to be on tight budget for these things so he can save more for college next year.</p> <p>Below is Kostas's estimated budget and what he actually spent in one month's time. Analyze his spending to determine whether he is on the right track to achieve his budget target.</p>				
Net Income: 3,000€/month				
	Budget Targets	Actual Budget		
Fixed Expenses				
College Savings	870€	820€		
Car installment	125€	125€		
Car Insurance	95€	95€		
Cell Phone	85€	85€		
Variable expenses				
Gas	100€	105€		
Entertainment	50€	75€		
Personal Shopping	50€	95€		
Occasional Spending (gifts, repairs, etc.)	100€	100€		
Is Kostas nailing his budget? Write your comments here.				

Worksheet: "Work your budget & it'll work for you!"

<p>You just got your first job and you'll be earning a gross income of 30,000€ /year. You live on your own and are responsible for all expenses, including rent, car, insurance, cell phone, utilities, entertainment, food, savings and various expenses. You have to pay 25% of your gross income in taxes.</p> <p>Calculate your net income: With a gross income of 30,000€ and a 25% tax deduction, what is your monthly net income? (Remember this is what you get after taxes.) Use this number to start your budget. Some calculations are necessary at this point.</p> <p>Divide your expenses into fixed and variable ones to make a good start.</p> <p>In order to get an idea of what percentage each kind of expense is weighing on your net income, think about this useful data:</p>		
Write the figures that result from your calculations		
Rent:	30% of net pay	
Utilities:	10% of net pay	

Car Insurance:	5% of net pay	
Cell Phone:	5% of net pay	
Occasional Spending:	10% of net pay	
Savings:	10% of net pay	
Food:	15% of net pay	
Car Loan:	10% of net pay	
Entertainment:	5% of net pay	
Fixed expenses		Cost
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Variable expenses		
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Evaluate your budget. Did you use your monthly salary wisely? Are you in or out of your monthly budget? What correcting actions should you do to increase your savings?		