



11. Back To The Budget

Learning Objectives

To:

- highlight the need to provide for unexpected circumstances
- demonstrate that a budget is a fluid construction which needs to be revisited and reworked when appropriate

Learning Outcomes

By the end of this lesson students will:

- understand about providing for contingency
- have practiced redrawing a budget in the light of an unexpected occurrence

Links to pfeg Financial Education Planning Framework 3-11 years

Age 7-9

How to manage money
Keeping records

Becoming a critical consumer
Choices about spending and saving
Spending and saving priorities

Understanding the important role money plays in our lives
Earning money

Age 9-11

How to manage money
Simple financial records and budgets

Becoming a critical consumer
Influences on spending and saving
"Value for money"

Understanding the important role money plays in our lives
Links between work and money

Vocabulary

- budget
- income
- expenses
- balance
- contingency
- economise

TIMING

10 MINS

STARTER ACTIVITY

Watch the video and raise the following questions:

- What kinds of things do Cha Ching have to budget for on their world tour (Hotels, transport and food are specifically mentioned as well as extras – students could be asked to speculate on what the latter might include)
- Why does the budget not work at one point? (A gig is cancelled and therefore the band get no income from it)
- How do they solve the problem? (They adjust the budget and economise so that they spend less)

RESOURCES

Video: Back To The Budget



Tasks

Things to look out for:

- did they consider value for money with the varied opening times?
- did they pick up on the fact that Mum might lose money if she has to take time off work to go on the outing?
- did they pick up on the reduced prices by deciding to pay in advance?
- how did they handle decisions around the Fast Track passes?
- did they prioritise convenience over cost when it came to transport?
- were they prepared to forego extras?
- did they consider any other economies they might make?

Tasks

As a variation on the activity (and if time permits) try throwing a change or two into the mix, e.g.

- cost of transport suddenly goes up, or
- the theme park issue a rule that they will not allow food to be brought in from outside, or
- baby Jessica who was going to be left with grandma and grandpa has to go to a registered (paid) baby sitter for the day.

This will, of course, necessitate replanning and rebudgeting

TIMING

MAIN ACTIVITIES

RESOURCES

12 MINS

- 1) Firstly ensure the words "income", "expenses" and "balance" are understood. Use World Tour balance sheet to allow students to pick out the relevant figures for the Cha Ching tour and put them into tabular form. Split the class into groups and issue each with a picture giving them a few minutes to transfer figures and do any necessary arithmetic. After a while groups can swap pictures round until they have seen all four and completed the table. Answer any questions which arise from the activity. Finally ask students if there were any precautions the band could have taken about the cancelled concert (Two possible answers – the band could have set out with an emergency fund (contingency) or they could have insured against cancellation by taking out travel insurance)

World Tour balance sheet

25 MINS

- 2) Students work through a budgeting exercise about a day's outing at a theme park. Read through the information with them and then in small groups get them to make some of the key decisions. Finish the activity by asking groups what they decided and challenge their thought processes where applicable. There are lots of **nuances** to this exercise which may or may not get picked up on.

Chris and Robin case study 2

PLENARY

10 MINS

In trios, role play Chris and Robin being presented with the budget plan but raising objections to the decisions. How would the presenter convince them to change their minds?

EXTENSION WORK WITH PARENT /CARER ENGAGEMENT

Money saving tips: Challenge students to come up with 2 or 3 things which will help to save money in their daily lives.

Share the tips in a follow up session.

Student works with parent/carer to find real savings opportunities in and around the home.