



BIZ KID\$

Episode 116: Budgeting Basics

Episode 116 Synopsis:

The Biz Kid\$ learn the first rule of money management: you can't manage what you don't know. Join the kids and you'll look at spending and expenses and examine several proven methods on how to gain control of both. You'll also meet several successful entrepreneurs.

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Biz Kid\$ Curriculum Package #116



BIZ KID\$

BIZ TERMS

Episode 116: Budgeting Basics

1. budget
2. expenses
3. fixed expenses
4. flexible
5. income
6. overdraft
7. periodic expenses
8. variable expenses

Suggestions for using Biz Terms include:

- Have students research and write dictionary definitions.
- Discuss the use of these terms in the episode of "Biz Kid\$".
- Have students construct sentences using these terms.
- Have students write paragraphs, stories, dialogs, "raps", or lyrics.



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Equipment/Materials/Prep needed:

Day One and Day Two:

- TV or projection system
- DVD player
- DVD of Episode 116

Day Two only:

- Student copies of the "Family Activity Sheet".
- Student copies of the "Biz Terms" Sheet.
- Paper, pens, pencils, color markers, and highlighters for students making ads and posters.
- Computers for students to explore web sites listed.
- Guest speaker to be greeted and directed to the correct location for the session.

Preparation:

- Check to be sure needed equipment is available and operational prior to the sessions.
- Gather listed materials.
- Make an appropriate number of copies of the "Biz Terms" Sheet and the "Family Activity Sheet".
- Invite guest speaker from the local community regarding fraud and how to prevent being scammed.



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Day One

Previewing Questions:

Day One Introduction

Welcome students/youth to **"Biz Kid\$"** and introduce yourself, giving your name and job title.

Explain that **"Biz Kid\$"** is a program to help people become financially educated, learn work-readiness skills, and to even become entrepreneurs...Biz Kids!!! They can view the program **"Biz Kid\$"** with their families on Public Television stations all over the country, and also participate by using the **"Biz Kids"** web site. Today, they get to see an episode with you.

Today's pre-viewing questions:

What do you think of when you hear the term **"budget"**? People may have different ideas or feelings about just what "budget" means. It can be an idea, a noun; or an action word, a verb. Please raise your hand if you're willing to share what you think of when you are faced with the word "budget".

Accept all students' responses in the same way, thank the students, and record their responses on a whiteboard, a chart, or on a transparency using the overhead projector.

Students' suggestions may include such ideas as:



- Budgets relate to money.
- Parents discuss "the budget" or refer to it.
- It tells you what your bills are.

Once all students have shared who wish to do so, continue with the lead-in to the show. Remind students that games such as "Monopoly" or "**Pay Day**" involve handling money and making decisions about spending it. Knowledge is definitely powerful, so stay tuned!

Today's episode of "**Biz Kid\$**" will help everyone have a clearer understanding of budgets. Let's watch...

Show Episode 116: "Budgeting Basics"

Activity to follow viewing the program together:

In today's episode, we met the amazing "**Budget Boy**". We're going to see if you are as smart as he is when faced with making good financial choices.

Conduct the following demonstration:

1. Invite one student volunteer to come to the front of the room.
2. Give the student 20 paper clips.
3. Ask the student, "If you could buy a new laptop computer from me for those 20 paper clips, would you get it?"
4. Then ask, "If you then needed to pay me an additional three paper clips to get the electricity to run the computer, would you be able to pay me?"
5. Allow for group discussion, thank the student, and ask that he or she return to their seat.
6. Then ask the class how they would have acted if they had known in advance that three of those paper clips would be needed in order for the laptop to work. Let students respond.



Student responses may reflect that most of the students would not buy the computer if they could not afford to pay for the electricity to operate it. *(Anticipate that there may be some fast-thinking "Biz Kids" in the group who want to determine a way to get more paper clips; but for the purposes of this example, there are only 20 paper clips to be had!)*

Budgeting is similar to the paper clip demonstration in that you must know your needs or expenses, and you **MUST** know how much money is available before you can decide what you can afford to buy. In today's episode, Jason budgeted for Fun, and "**Overdraft Amanda**" did not keep track of her expenditures. Like "**Budget Boy**", your future can be what you want it to be by using a budget!!!

Thank students for their attention and participation.



Episode 116 Budget Basics

Day Two

Day Two Introduction

Play part of the theme music for "Biz Kid\$" from the episode intro to motivate and engage the students. Then stop the music, welcome the students/youth to today's session, and introduce yourself.

Review and Connect with the Previous Session

In Episode 116 of "**Biz Kid\$**", we learned that using a **budget** can be a powerful tool in reaching your goals.

Did any of you discuss budgets with friends or family after viewing the episode? *Allow for student responses.*

Then, using the overhead projector, display the "**Biz Kid Budget**" portion of the "Sample Budgets" overhead transparency. (*You can just cover the other part of the transparency for the time being.*)

Remind students that keeping track of their money and creating a personal budget includes knowing their income (any money earned or received such as wages or gifts), and their expenses (the amount of money paid for personal needs.)

Ask students if they think there is something missing from the sample budget. Hopefully they will respond with the thought that a savings category should be included; if they don't, then you suggest that it be added.



Mention that often families will develop a budget to make sure they have enough money for all their expenses. Display the “Family Budget” portion of the “Sample Budgets” overhead transparency. State that this is an example of some of the categories a family budget might include.

Review the elements of the **Family Budget** with the class.

Ask the students what they believe a home or apartment in the area might cost each month. *(If students are unsure or have no idea, insert a reasonable amount on this line of the transparency.)*

1. Allowing for student input, add reasonable amounts on the clothing, entertainment, and savings lines.
2. After filling in the lines of this approximate **Family Budget**, complete the math to determine how much money the fictional family would have left over for unplanned expenses.

A discussion of the results should follow...Was there enough money to pay the bills? If not, where could adjustments in spending be made?

Ask students what might happen if they did not keep track of their money with a budget. On a separate list, record their responses on the whiteboard or chart paper in a visible location.

Examples may include:

- Not knowing how much money is available for spending.
- Not having enough money to pay the bills when they are due.
- Not being able to afford items they really need.
- It may result in debt to friends, family, or credit companies.



Activity

Explain that students will create an **informational campaign pamphlet** for other students in their school to help them understand the importance of budgeting.

Distribute a “Budgeting Basics Pamphlet” Worksheet to each student, as well as a blank sheet of paper to create a “rough draft”.

Review the pamphlet with them. Explain that:

- On the front cover, they should create an illustration that will interest readers in the topic of budgeting.
- On the inside of the front cover, they should respond to the questions, “What is budgeting?” and “Why is budgeting important?”
- On the inside of the back cover, they should list four of the benefits of budgeting that would be important to other students.
- On the back cover, they should include helpful hints to help students budget their money.
- In the boxes that appear on the pamphlet, they may add illustrations that relate to budgeting or money.
- Suggest that they may want to do a “rough draft” before actually putting the information on the worksheet. They may want to discuss some of the ideas with another student, or refer to the information listed on the board or paper chart. Remind them that their pamphlets need to have clear, legible writing in order for their readers to “get” the message. Using different colors of ink, or using markers or crayons for the illustrations will add interest.
- They might also mention for other students to watch **Episode 116 of “Biz Kid\$”** if they want to learn more!



Allow the rest of the time period for working on the pamphlets. Students may want or need more time to complete them, so allow them to take the pamphlets home to finish, or to complete them in any extra time they may have in class.

If the teacher agrees, suggest that students turn in their completed pamphlets for credit, and for actual distribution to another class, for display in the library or on a bulletin board, or for display in the front office.

Summary and Review

Encourage students to continue discussing budgets with friends and families, and to gain the power of controlling their financial futures!

Distribute the **"Family Activity Sheet"** and the **"Biz Terms Sheet"** for Episode 110 to all students to share with their families.

Thank them for their participation in today's session.



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Family Activity Sheet

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Family Activities:

Introduce your child to the terms **fixed expenses** (expenses that are the same each time they are paid), **variable expenses** (expenses that change each time they are paid), and **periodic expenses** (expenses that are not paid on a monthly basis). Once your child understands the different types of expenses, play a game to determine under which category your different bills fall.

1. The next time you take a family trip, allow your child to help plan the family budget.
2. How much money will you need for gas and food?
3. Where will you stay to keep within your family's financial budget?
4. Discuss how you can save money on some expenses with everyone's co-operation.

It will be real financial education for your child to participate in this family event.



Looking for another game to play? "**PayDay, Allowance: A Consumer Math Game**" and "**Budget**" are fun board games that help your child learn how to plan a budget, and project how he or she spends money. This is a great skill for your child to practice at home.

Your family can learn additional information about keeping track of money earned and money spent by reading the book "**Budgeting**" (**How Economics Works**) by Sandra Donovan.