

Title:
Great Minds Think
4. Budgeting

Grade Level:
2-6

Time Allotment:
30 minutes

Description:

In this activity, students will learn about budgeting by creating a practice budget for a character from *Great Minds Think*. Students will then have the opportunity to demonstrate their understanding of budgeting by creating their own budget.

Learning Objectives:

- I can explain the purpose of a budget.
- I can define the terms expense and income
- I can create a budget.

Teacher Materials:

- *Great Minds Think* ([paper copy](#), [PDF version](#), or [interactive online game](#))
- *Budgeting Vocabulary Worksheet* (in person)
- *Budgeting Vocabulary Worksheet: Answer Key* (in person)

Student Materials:

- *Great Minds Think*
- *Budgeting Vocabulary Worksheet* (in person)
- Calculator
- Pencil
- Tablet or Computer (virtual)

Teacher Preparation:

In person: Order or print enough copies of *Great Minds Think* publication for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Budgeting Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. If using the interactive online game, the worksheet is not necessary—a vocabulary assessment is included.

Virtual: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Budgeting Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. The *Budgeting Vocabulary Worksheet* can be accessed in the Learning Center's Google Drive. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

The resources needed for this activity are linked in the Teacher Materials section.

Instructional Procedure:

1. Explain to students that they are going to be learning about **budgets**. A budget is a plan that helps us keep track of **income**, the money we earn or receive, and **expenses**, the money that we spend or use to buy things.
2. **In person:** Distribute the *Great Minds Think* publication to each student. Have them turn to page 12 and read "Budget Basics."

Virtual: Have students access the *interactive online game* and then click on the "home" icon to access the different sections of *Great Minds Think*. From there, students will select the "Budgeting" bubble and start the activity by reading "Budgeting Basics." Have students complete the vocabulary assessment that follows.

3. Ask students, “What should be included in a budget?” (Answers will vary; e.g., shopping, chores, gifts, bills, etc.) Have students practice building a budget by.
In person: Turning to page 13 to complete “Lin’s Budget Worksheet.” The items for Lin’s budget can be found on page 12 underneath the “Budgeting Basics” reading.
Virtual: Clicking the next button after the vocabulary assessment and completing “Alex’s Budget” activity.
4. Ask students again what items should be included in a budget following the practice budget activity they completed.
5. **In person:** Have students create their own budget by turning to page 14 and completing the “Make Your Own Budget” activity.
Virtual: Have students create their own budget by clicking the “next” button and completing the “Make Your Own Budget” activity.
6. **In person:** Have students demonstrate their knowledge of the terms introduced in this lesson by completing the *Budget Vocabulary Worksheet*.

Key Vocabulary:

- **Budget:** A plan that balances income with expenses.
- **Expense:** Money that is spent on a good or service.
- **Income:** Money that is earned or received.

Attachments:

- *Budgeting Vocabulary Worksheet*
- *Budgeting Vocabulary Worksheet: Answer Key*

Resources:

FederalReserveEducation.org

- [*Common Cents: It’s Free, But at What Cost?*](#)— Article
- [*Why Budget*](#)— Infographic
- [*Banking and Budgeting*](#)— Lesson Plan
- [*Piggy Bank Primer*](#)— EBook
- [*Budgeting 101*](#)— Online Course

Extension:

- Have students read the [*Why Budget*](#) infographic from the Federal Reserve Bank of Atlanta and then write one to two sentences on why it is important to have a budget. Students will find the answer to this question underneath the “A Budget Helps You To” section of the infographic.
- Have students track their saving and spending habits for a week. Then have students use their findings to create a budget.

Differentiation:

- Read the “Budget Basics” section (pg. 12) of the Spending activity aloud to the class.
- On “Lin’s Budget Worksheet” (pgs. 12– 13), adjust the numbers to make the math more manageable for the students.
- Complete step 4 together as a class.
- On the “Make Your Own Budget” activity, suggest different chores or jobs students can complete in order to earn a certain amount of income. Suggest some expenses that students may spend their money on and how much that may be.
- Pair students with a partner to work through the *Budgeting Vocabulary Worksheet* or complete it together as a class.

Ohio’s Learning Standards for Social Studies:

- 2.20: A budget is a plan to help people make personal economic decisions for the present and future and to become more financially responsible.
- 3.20: A budget is a plan to help people make personal economic decisions for the present and future and to become more financially responsible.
- 4.22: Tables and charts help people to understand information and issues. Tables organize information in columns and rows. Charts organize information in a variety of visual formats (picture, diagrams, graphs).

Ohio’s Learning Standards for Financial Literacy:

- K-6: Financial responsibility includes the development of a spending and savings plan (personal budget).

Kentucky’s Learning Standards for Financial Literacy:

- K-3 F.P.1: Recognize that people need to work to meet basic needs.
- K-3 F.P.5: Explain how planning helps people make choices about how to use their money.
- 4-5 FL.I.6: Develop a basic budget which includes income, expenses and savings for a specific purpose.

This activity is part four of the [Great Minds Think](#) activity series.