

Using a budget to shop for a party

Students learn about budgets and then use a budget to decide what food to buy for an imaginary party.

Learning goals

Big idea

Using a budget can help us save money.

Essential questions

- What is a budget?
- How do I use a budget when I shop?

Objectives

- Understand how to create and use a budget
- Practice using a budget

What students will do

- Make choices about what food to buy for an imaginary party.
- Reflect on what it was like to work within a budget.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial knowledge and decision-making skills

Grade level: Elementary school (4-5)

Age range: 9-11

Topic: Spend (Budgeting, Buying things)

School subject: Math, Social studies or history

Teaching strategy: Simulation

Bloom's Taxonomy level: Understand, Apply, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 4-2, 4-3, 4-5, 8-1

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- While it's not necessary, completing the "Understanding our money choices" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Using a budget to shop for a party (guide)
cfpb_building_block_activities_using-budget-shop-party_guide.pdf

STUDENT MATERIALS

- Using a budget to shop for a party (worksheet)
cfpb_building_block_activities_using-budget-shop-party_worksheet.pdf

Exploring key financial concepts

A budget is a plan you create for your money. Knowing how to make a budget is an important skill that will help you reach your financial goals. When thinking about budgeting, it's often helpful to think about how much money you want to spend and what you want to buy. When making a budget with other people, it's important to remember to compromise so that everyone gets something they want or need. Using a budget while you shop can help you make the spending choices that are best for you.

Teaching this activity

Whole-class introduction

- Ask students to share what they know about budgets.
- Explain that a budget is a plan for how to spend and save money.
- Read the "Exploring key financial concepts" section to the class.

- Tell students that sometimes people set a budget for how much money they want to spend and save in a month. Other times, people use a budget to set a limit on how much they will spend on certain things like a trip to the grocery store or a vacation.
- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual work

- Tell students they'll pretend to be in charge of buying food for an imaginary party with three of their friends.
 - They'll have \$25 to spend and will choose items from a list, making sure they get enough for everyone without going over their budget.
- Give the "Using a budget to shop for a party" worksheet to each student.
- Students will work independently to complete the worksheet.
- Remind students that they only have \$25 to spend on their party food.
 - First, they'll choose different foods for the party.
 - Next, they'll add up the costs of the foods they chose. If their selections total more than \$25, they'll need to make different choices.
 - Then, they'll answer the reflection questions.

Wrap-up

- Ask for volunteers to share what foods they chose.
- Ask for volunteers to share their answers to the reflection questions.

Suggested next steps

Consider searching for other CFPB activities that address the topic of spending, including budgeting or buying things. Suggested activities include "Choosing the perfect trip" and "Comparing costs when building a rocket."

Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students' answers on their worksheets may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.