

**DOLLARS & SENSE**

**SECONDARY  
School Module**

**ACTIVITY BOOKLET**

**3**



**DEVELOP A BUDGET**



AFOA Canada acknowledges the generous support of the TD Bank Group in making this project possible.



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AFOA Canada  
1066 Somerset Street West  
Suite 301  
Ottawa, ON K1Y 4T3

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## ACTIVITY 3 - DEVELOPING A BUDGET

### MATERIALS REQUIRED

Dollars and Sense Secondary School Module

Activity Booklet - Provide Activity Booklet 3 to each student.

### AGENDA MAP

Time (Minutes)	Activity 3 - Develop a Budget Effective Money Management - PLANNING Agenda Items	Page
10	1. Notes - Budgeting	3
50	2. Develop a Budget Directions	5
60	<b>TOTAL TIME for Activity 3</b>	



## DEVELOP A BUDGET

### NOTES: EFFECTIVE MONEY MANAGEMENT

There are three areas that will help guide you to effective money management:

1 - planning; 2 - spending; and 3 - managing financial resources. For Activity 1, the focus will be on **planning**. Keep in mind that our ancestors were excellent stewards of nature and today we must become stewards of our financial resources.

#### PLANNING

- |                      |  |
|----------------------|--|
| 1. BUILD YOUR SKILLS | <ul style="list-style-type: none"> <li>• Build your skills to understand what you need or want in the future and how to generate the money needed for it.</li> <li>• Figure out where your money is coming from and what you're spending your money on.</li> </ul> |
| 2. SET GOALS         | <ul style="list-style-type: none"> <li>• What activity would you like to do in the future?</li> <li>• What items would you like to own in the future?</li> <li>• Identify the steps to achieve this future goal.</li> </ul>  |
| 3. DEVELOP BUDGET    | <ul style="list-style-type: none"> <li>• Identify how much money you will need for your future goal.</li> <li>• What are the steps to save the amount of money needed?</li> </ul>  |

#### SPENDING

- |                          |  |
|--------------------------|--|
| 4. USE MONEY WISELY      | <ul style="list-style-type: none"> <li>• Spend the money in the way that you've planned.</li> <li>• Spend less money than you make.</li> <li>• Consider all features and costs before making purchases.</li> </ul> |
| 5. KEEP AN EYE ON THINGS | <ul style="list-style-type: none"> <li>• Keep track of how you are working through the steps to achieve the goal and save the money.</li> <li>• If things change, update your planned steps.</li> </ul>            |

#### FINANCIAL RESOURCES

- |                                |  |
|--------------------------------|--|
| 6. SAVE MONEY                  | <ul style="list-style-type: none"> <li>• Build your financial resources.</li> <li>• Set aside money needed for your future goal.</li> <li>• Put your money in a deposit account and make money off it if you can.</li> </ul> |
| 7. PROTECT YOUR CREDIT HISTORY | <ul style="list-style-type: none"> <li>• Protect your financial information.</li> <li>• Pay your bills on time.</li> <li>• Build a good credit history.</li> </ul>   |



## DEVELOP A BUDGET

Through good budgeting you can achieve your financial goals. Part of the budgeting process includes setting goals and creating a saving plan to meet your goals.

### TIPS ON BUDGETING AND SAVINGS

1. Track your money - write down what you spend and what you have coming in.
2. Summarize your expenses (list what you spend your money on).
3. Summarize your income (list where you get money from - group them in categories).
4. Transfer amounts to the monthly spending plan/budget.
5. Calculate the difference - subtract what you spend (expenses) from what you have coming in (income).
6. Develop strategies to deal with the difference.
  - (1) If your income is higher than your expenses, the number will be positive. You will have money left over. Set a savings goal and put money aside in your budget and put it in a savings account.
  - (2) If your expenses are higher than your income, the number will be negative. You will spend more money than you have. Decide what you can go without. Is an expense a NEED or a WANT (nice to have)? Can you earn additional money somewhere?
7. Put your spending plan into play.
  - (1) Before you spend ask yourself if you really need it. If you do, then change your plan to be able to afford it.
8. Go back to the beginning of the cycle and monitor your spending and income.





## **ACTIVITY 3 DIRECTIONS - DEVELOP A BUDGET**

**TIME**

**(Minutes)**

**ACTIVITY 3 DIRECTIONS**

- |    |  |
|----|--|
| 2  | 1. Refer to Activity Booklet 3 - Develop a Budget.   |
| 30 | 2. Working in pairs, you have 30 minutes to complete the Monthly Budget Worksheet. Begin by reading the Activity 3 Scenario. |
| 13 | 3. Share responses with the class.   |
| 5  | 4. Facilitator summarizes key findings.  |
| 50 | <b>TOTAL Activity Time</b>   |



## ACTIVITY 3 - DEVELOP A BUDGET

### ACTIVITY 3 SCENARIO

You live on the Snowy Mountain First Nation Reserve and attend the high school in the community. You are in your final year, grade 12, and plan to graduate in June. You live at home with your parents and do not pay rent. You have a cell phone which you bought and must pay for on a monthly basis. You have been working at the jobs listed below for the past three years and have been able to meet your monthly savings goals during this time.

You have been earning money throughout the year performing the following activities.

- (1) Babysitting on Friday nights earning \$20 each night
- (2) Working at the local gas station on Sundays earning \$50 clear each weekend
- (3) Cutting lawn or shoveling snow for your grandparents earning \$15 a week
- (4) Performing chores at home earning an allowance of \$20 a week

You have been saving money and each month put aside: 8% savings for a trip to Europe after high school; 2% donation for the Annual Community Children's Christmas Event; and 20% investment for college/university. These monthly savings represent spending in your journal.

This leaves 70% of the monthly budget for spending. You will discuss the monthly expenses and make decisions on how the monthly budget is spent.

1. Using the information above, complete the monthly income section of the Monthly Budget Worksheet.
2. Using the information above, complete the savings expenses section of the Monthly Budget Worksheet.
3. Work together to make decisions on how to spend the budget based on the 70% income available. Determine whether the items you decide to spend money on are a NEED (basic necessity like food, clothing, transportation, etc.) or a WANT (entertainment, games, jewelry, etc.).



## **ACTIVITY 3 - DEVELOP A BUDGET (CONTINUED)**

4. Complete the Total Monthly Expenses on the Monthly Budget Worksheet.  
Are you in the positive or negative?
5. If positive, what do you plan to do with the money?
6. If negative, how will you adjust your expenses?
7. Discuss with the whole class how you planned to spend your money and how you made your decisions.





## ACTIVITY 3: MONTHLY BUDGET WORKSHEET

### MONTHLY INCOME

Income and Expenses	Planned Income	Actual Income
Job #1		
Job #2		
Job #3		
Allowance		
<b>TOTAL MONTHLY INCOME</b>		

### MONTHLY EXPENSES

Income and Expenses	Planned Spending	Actual Spending
Savings for:		
Savings for:		
Savings for College or University		
<b>TOTAL</b>		



## ACTIVITY 3: MONTHLY BUDGET WORKSHEET

### MONTHLY INCOME

Income and Expenses	Planned Income	Actual Income
Cell Phone Plan		
Food - Lunch, Snacks, Coffee		
Sports or Hobbies		
Clothing & Accessories		
Transportation ( Bus, Gas, Car Insurance, etc.)		
Entertainment (Going to movies, events, etc.)		
Other:		
<b>TOTAL MONTHLY EXPENSES</b>		

<b>DIFFERENCE (Total Monthly Income- Total Monthly Expenses)</b>		
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## **NOTES PAGE**

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