
How Can Your Money Work For You?



Supporting Questions

1. How can you grow your personal wealth in the face of scarcity?
2. What opportunity costs are experienced in the present to ensure wealth in the future?
3. “Work smarter, not harder”. How can this quote be explained in terms of opportunity cost and scarcity?

How Can Your Money Work For You?

Michigan Content Expectations:	4.1 Decision Making Describe and demonstrate how the economic forces of scarcity and opportunity costs impact individual and household choices.
Staging the Compelling Question:	After considering Einstein’s statement and looking at the graphic (See inside) what are your thoughts?

Supporting Question 1
How can you grow your personal wealth in the face of scarcity?
Formative Performance Task
Write 1 SMART goal for budgeting and 1 for investing.
Featured Sources
SMART Goals Sample Household Budget

Supporting Question 2
What opportunity costs are experienced in the present to ensure wealth in the future?
Formative Performance Task
Create a written budget that outlines: Income, Expenses, Savings, and Disposable Money. Create a T-Chart of what you hope to gain in the future and what you give up in the present to get there.
Featured Sources
Earning/Spending Document SMART Goals Tools of Budgeting

Supporting Question 3
“Work smarter, not harder”. How can this quote be explained in terms of opportunity cost and scarcity?
Formative Performance Task
Develop an investment strategy for income after bills are paid (Savings and Disposable Money) that takes into consideration your goals and the time you have to get there. Do this by first creating an organizational table of data, then pie graph or bar graph to represent allocations by dollar value or percentage of available assets.
Featured Sources
Investing handout

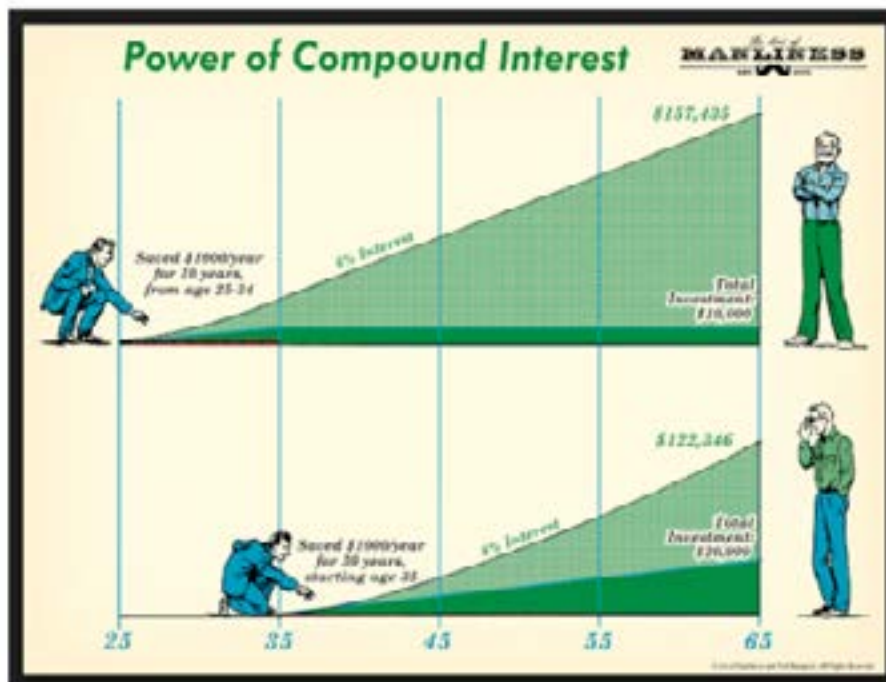
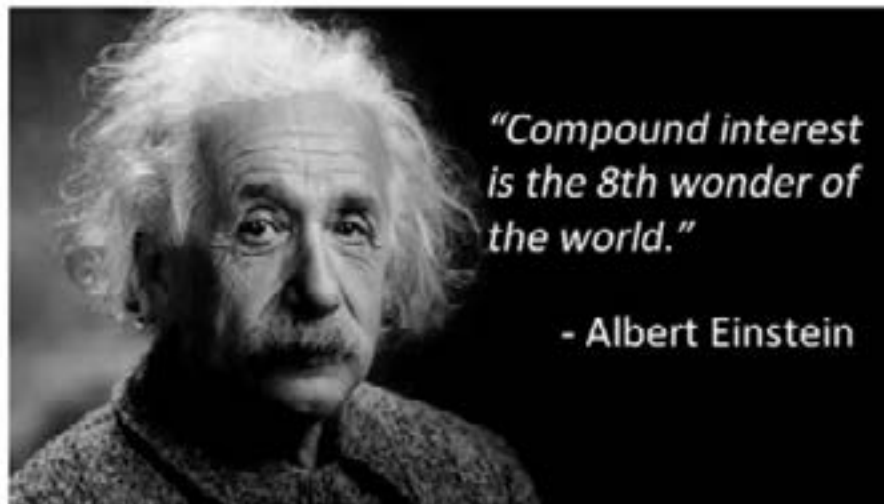
Summative Performance Task	Argument: How can your money work for you? Construct an argument (e.g., detailed outline, poster, essay) that addresses the compelling question using specific claims and relevant evidence from contemporary sources while acknowledging competing views.
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Overview

Students will assess their personal finance and investment data. They will develop goals and plans to achieve them. They should be able to demonstrate their understanding of the content through the successful completion of this unit.

Staging the Compelling Question

Project, display, print/distribute, etc. Make sure students are able to view the Einstein image/quote and the graphic representation. After viewing/discussing, have students answer the following: After considering Einstein's statement and looking at the graphic above, what are your thoughts?



Supporting Question 1 Overview

After reading/watching the associated materials, students should work to “Write 1 SMART goal for budgeting and 1 for investing”. This will include much trial and error, and monitoring by the teacher, as the goals must be specific, measurable, achievable, relevant, and time-bound.

Supporting Question 1 - Featured Source A

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STUDENT LEARNING PLAN

Lesson 1-2: Goals



OVERVIEW

If you were giving a birthday party for your friend, would you just throw it all together at the last minute? Of course not! You would decide on the goal (a great birthday party) and work backward to figure out everything you'd need to do to make it happen.

You should do exactly the same thing with your money. Many people spend, spend, spend, and then wonder why they're short of funds when it's time to pay the bills or why they never have the money for the things they really want. If they had set clear goals, created plans to achieve them, and worked the plans as faithfully as they watch their favorite TV shows, they'd be much less stressed and a whole lot happier.

Today's lesson will help you plan goals that will get you to your desired financial results.

LEARNING OUTCOMES

In this lesson you will set financial goals that are specific, measurable, attainable, relevant, and time-bound.

Along the way you will:

- Discuss how personal goals can be achieved through money goals.
- Explain how to write an effective financial goal.
- Discuss how to prioritize actions while working to achieve several goals at the same time.

You will use what you learn to write personal financial goals for your spending, particularly for large purchases.

LEARNING TASKS

These tasks match pages 13-19 in Student Guide 1.

__ 1.	Brainstorm examples of big-ticket items teens might pay for while in high school and when transitioning into young adulthood.
__ 2.	Participate in a discussion about the consequences of NOT having goals.
__ 3.	Help Michael and Selena write specific financial goals as you complete Activity 1.6: SMART Goal Makeover .
__ 4.	So you've helped Selena and Michael create SMART goals, Let's practice some more. Your teacher will give you a goal that is vague. Make it SMART by adding the missing details!
__ 5.	Decide how to juggle multiple goals by participating in an activity to prioritize goals.

Grab the full source online: https://www.hsfpp.org/Portals/0/Materials/Public/1/HSFPP-Student-Pack-Lesson-1-2-Goals_2014.pdf

Supporting Question 1 - Featured Source B

<http://content.moneyinstructor.com/437/sample-budget.html> (Click for full source)

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MONEY LESSONS, LESSON PLANS, WORKSHEETS, INTERACTIVE LESSONS, AND INFORMATIVE ARTICLES.

Many young people graduate without a basic understanding of money and money management, business, the economy, and investing. We hope to help teachers, parents, individuals, and institutions teach these skills, while reinforcing basic math, reading, vocabulary, and other important skills.

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Sample Monthly Household Budget

Below is a sample monthly budget. A budget may be used to help you manage your money. It is an estimate of your income and expenses over a period of time. By creating and using a monthly budget, you can get a better idea of where you spend your money, to whom you owe money, and how much. It will help you focus on saving more, so you may reach your financial goals.

Sample Budget

This budget example has two categories, income and expenses. Income includes money earned, including wages. Expenses includes items you spend your money on, including rent and food.



The sample also has three columns, the first column, Monthly Budget Amount, is the budget estimate for the month. The next column, Actual Amount, is the actual income and expenses for the month. The final column, Difference, is the difference between the estimate and the actual budget (column 1 minus column 2).

MONTHLY BUDGET

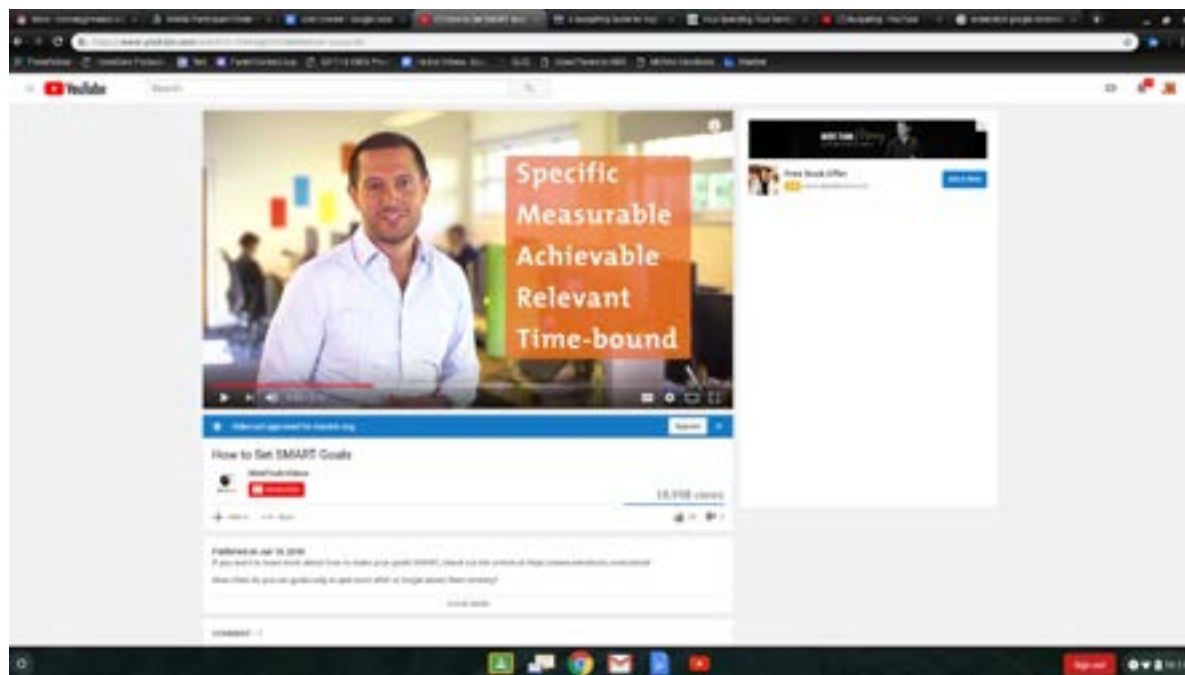
Supporting Question 2 - Featured Source A

<https://www.youtube.com/watch?v=6Ib-bdco5cE>



Supporting Question 2 - Featured Source B

<https://www.youtube.com/watch?v=OXA6gfzFA24&feature=youtu.be>



Supporting Question 2 - Featured Source C

<http://kwhs.wharton.upenn.edu/2015/02/zina-kumoks-top-5-budget-tips/>

“The goal of good budgeting is to spend less than you earn — and to know what you are saving for.”

Learning how to budget now will teach you how to value your paycheck, save for the future and spend money on what makes you happy.

Most of the resources on budgeting — and there are lots of them — are for people with full-time jobs and bills. Here’s a guide on how to budget for high schoolers, whether you work a part-time job after school, babysit on the weekends, or get an allowance from your parents.

List your goals. You can’t budget without figuring out what you want to spend money on. It’s easy to blow a week’s wages on going out to the movies and shopping at the mall. Instead of doing that, make a list of things you want to buy. Are you trying to save up for an Xbox One? Do you want to upgrade your laptop? Include long-term goals like paying for college or taking a trip after graduation. Next to each goal, write down how much it will cost. This will give you an idea of what your decisions really mean. If you want to buy a new video game for \$60, each \$10 you drop at Chipotle is \$10 more you’ll have to earn to reach your goal. Once you see what your goals really are, it will become easier to prioritize your finances.

“What’s the point of budgeting and making sacrifices if you don’t know what you’re doing it for?”

Write down your expenses. Once you figure out what you want to spend money on, try tracking your expenses for a couple of weeks. Any time you make a purchase, write it down. You can also use the website Mint.com to

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sync your expenses automatically (there's an app, too). While most people think they have an idea of what they're spending money on, they are often shocked to discover what their total expenditures add up to. If you make \$400 a month working on the weekends, you might be surprised to learn how much of your earnings are eaten up by daily expenditures like gas, shopping and grabbing a Snickers from the convenience store.

Make a plan. Once you see what your spending looks like, figure out what changes you want to make. Let's say you want a laptop that costs \$1,000. If you want to buy it in six months, you'll have to save about \$166.67 a month. Or maybe you need it sooner and will have to save even more aggressively. Once you decide what your goal is, figure out the spending cuts you can make. Maybe instead of going to the movies, you suggest to your friends that they come over to your place and get something from an inexpensive movie rental alternative like Redbox.

“ I like to keep a visual of my goals around to remind me of why I'm giving something up.”

For example, print out a photo of your future laptop to keep in your wallet. That way, every time you want to spend money, you'll be reminded of what you really want.

Talk about it. Peer pressure is very real. When you're around a lot of people, it becomes easier to drop cash on things you don't really want. If you tell your friends what you're trying to save up for, you empower them to help you reach your goal, instead of derail you. You can make a pact with a friend to always call her if you're about to make a purchase over \$25. Or if you're hanging out with someone, give him your card so when you want to buy something, you have to justify it to someone else. Removing yourself from temptation also helps. If your friends want to go shopping, you only bring \$5 in cash so you can't spend any more. You can also set up a savings account that automatically takes money from your checking account every month. Since it can be harder to remove money from a savings account, you won't be able to spend the money that you have earmarked for your goal.

Treat yourself. Set up mini-rewards if you're saving up for something for a long time. If your goal is to save \$200 every month so you can pay for a Spring Break trip with your friends, reward yourself with something small at the end of each month you successfully reach your goal. If you deprive yourself for too long, eventually you will binge and ruin all of your plans.

Budgeting is not always fun, but it's definitely useful. I budget when I want to travel somewhere and don't know how I will be able to afford it. Or maybe I want to upgrade my camera and I'm not sure how I'll come up with that \$500. When you budget for your goals, you see how keeping track of your money can help you. It's so important to understand that we control our money and not the other way around. And in six months when you're sitting in front of that new laptop, you'll appreciate just how sweet budgeting can be.

Supporting Question 3 - Featured Source A

<https://www.hsfpp.org/Portals/0/Materials/Public/4/HSFPP-Module-4-Investing-Student-Guide-2014.pdf> (Click for resource)

