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| Lesson Name: | The Household Income  |
| Grade Level(s): | 12th Grade - Civics |
| Goal/Objective(s): | * The student will be able to identify the basic components of a household budget.
* The students will explain the various costs of living expenses and give a rough numerical estimate of the actual cost of rent, utilities, and so on.
* The students will from a given budget be able to identify the wants and needs by determining the opportunity costs of the wants verses the sacrifice of the needs.
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| Standard(s): | **Social Studies Standards**SS.12.E.1: examine the opportunity in ever-present scarcity individuals, businesses, and societies to understand how to make choices when facing unlimited wants with limited resources. SS.12.E.9: Simulate managing the income and expenses of a household.SS.12.E.10: examine the advantages and disadvantages of different types of consumer debt to make sound financial decisions(e.g., home loans, credit card debt, automobile loans, pay-day loans, and rent-to-own). SS.11-12.L.3: produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience. **School Counseling – Student Success Standards****ALP.SS.4.2.5** assess personal needs, wants and values to develop a budget.**ALP.SS.4.2.7** evaluate the consequences of spending related to debt and debt management. |
| Instructions: | Rationale: In this lesson you will be exposing students to the realities of a household budget, for some of them this may be their first time seeing what a budget looks like, and for others this may be a review. By using the tools and sequencing listed below your students should become well versed on the management of a household budget.Day One: 1. Opener (5-10 Minutes): On the board as a bell ringer question ask this: How much money is needed to cover all of a household’s monthly expenses, and what type of careers would cover that cost? Once the students have answered the question hold a short class discussion where the students share their answers, and talk about money, and possible components of a budget.
2. Teacher Instruction(20-30 Minutes): Using the Budgeting Vocabulary give a lecture on the lingo that goes with financial literacy. Use this presentation as a guide. Then transition that into the budget aspect.
3. Give each student a copy of the budget questions that is housed in the money matters lesson on page 13, it’s called “Budget Basics”. Have them either on their own or in small groups (it’s up to you) to answer the questions. Have them turn in at the end of day one as an exit ticket. This should take about 10 minutes.

Day Two: 1. Pass out the Budget Basics sheet the students did yesterday and go over it as a class discussion. Duration: 10 minutes.
2. Then give each student the “Post-Graduation Budget Expenses” sheet, and using the estimate column have students in groups of three or four estimate what each expense will be. After about ten minutes or so have the poll the students for answers. From your household budget or someone else’s have them fill out the actual column as a class so they can see a real budget. Duration: 20 minutes
3. Once you have done the class budget have a short discussion that compares and contrasts their ideal costs versus the reality. Duration 5 Minutes
4. Assessment: Give the students a salary from which they will base their budget off of, a clean budget form for which to make their budget and then have them create a house hold budget where they have to decide between needs and wants. Require to write a narrative explaining their budget and why they chose a certain amount for certain items. Have the student be able to rationalize each item on their budget with the income they have to work with. The length of this essay should be about 1.5-2 pages in length. Duration: about 17 minutes.

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| Materials: | * Post-Graduate Budget Chart and Budget Basic Questions. Click on link below.

<https://secure.cfwv.com/images/wv/PDFs/RTS/Facilitators_Guides/Grade_12/G12_MoneyMatters1.pdf>* SMART Board, Elmo, or some document projection device.
* Actual Samples of utility bills and such. You will need to find these on your own.
* Budgeting Vocabulary Presentation (attached to this lesson).
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| CFWV Tools Used: | * CFWV Connect: Money Matters, Post-Graduate Budget lesson components.
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| Assessment: |  The students will be given a household salary from which they have use for monthly expenses. They will take the expenses and the salary and construct a budget. In this budget they will have to explain the needs/wants and how they balanced both. A short essay explaining their individual budget will be required to accompany the actual budget itself, this will serve as the rationale.  |