

HS.PFE.C.3

STANDARD STATEMENT:

Apply a budgeting strategy to create a sample budget that includes common costs associated with housing, transportation, and insurance products and analyze the outcomes.

ESSENTIAL QUESTIONS:

By the end of the unit, students should be able to answer:

- How can tracking income and expenses help you make informed financial decisions?
- What strategies can you use to adjust your budget when expenses exceed your plans?

PNWFCU LESSON THAT MEETS THE STANDARD:

- [Budgeting & Spending Wisely](#)

SUPPORTING RESOURCES:

- [Open Education Resources/Oregon Open Learning Group](#)
- [Making Finance Personal Project](#)

POTENTIAL STUDENT ACTIVITIES:

- Budgeting Simulation: Students can participate in a budgeting simulation where they create a detailed budget based on hypothetical income.
- Set the Scenario: Provide students with a hypothetical scenario (e.g., recent college graduate with a part-time job). - Specify the monthly income (e.g., \$2,500).

- **Identify Fixed Expenses:** Students list fixed expenses (non-negotiable costs) such as: - Rent or mortgage - Utilities (electricity, water, internet) - Insurance premiums - Loan payments (student loans, car loans) - Assign dollar amounts to each fixed expense.
- **Allocate Variable Expenses:** Students consider variable expenses (flexible costs) like: - Groceries - Transportation (gas, public transit) - Entertainment (movies, dining out) - Clothing - Allocate funds to each category based on priorities.
- **Prioritize Savings Goals:** Discuss various savings goals (emergency fund, vacation, retirement). - Students allocate a portion of their income to savings based on their goals. - Example: Saving \$200/month for an emergency fund.
- **Trade-Offs and Adjustments:** Encourage students to make trade-offs, such as:
 - If they spend more on entertainment, how does it impact savings?
 - Can they reduce variable expenses to save more?
 - Adjust the budget as needed to balance income and expenses.
- **Review and Reflect:** Students review their completed budget and reflect on choices made:
 - Did they prioritize essentials?
 - How did they balance wants vs. needs?
 - Did they allocate enough to savings?

QUESTIONS:

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