



Financial Literacy Education Lesson Plan



Lesson 3: Budgeting for Real Life

55 minutes¹

Domain

- Budgeting, Spending and Money Management

Oregon High School Personal Financial Education Content Standards²

- **HS.PFE.C.1:** Describe budgeting strategies for savings goals, emergency funds, fixed expenses and variable expenses.
- **HS.PFE.C.3:** 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 Question(s)

- How can tracking my income and expenses help me make good money decisions?
- What can I do if I end up spending more than I planned?

Learning Targets

I can:

- Create a realistic monthly budget.
- Adjust a budget when income or expenses change.
- Use an online budget calculator to build and review a budget.

Supplies

1. Projector and internet access
2. Presentation slides (Note: Speaker notes are provided in the lesson plan and in the accompanying PowerPoint slides.)
3. Student handouts

¹ This lesson is designed for approximately 55 minutes, but timing may vary based on student discussion, reflection, and engagement. Feel free to adjust the pacing or extend activities as needed.

² The Oregon High School Personal Financial Education Content Standards are located at:
https://www.oregon.gov/ode/students-and-family/OregonDiploma/Documents/FINAL%20PFE%20Standards_AdoptedAccessible.pdf

4. A large writing surface such as chart paper and markers, whiteboard, or chalkboard

Preparation

1. Make copies of student handouts.
2. Set up projector with presentation slides.
3. Find a free online budget calculator, such as those offered by Voya or Mapping Your Future, that students can use without providing personal information.

Overview

This lesson builds on the basic budgeting concepts provided in **Lesson 2, Managing Your Money** and asks students to create and adapt budgets in realistic scenarios. Students will learn strategies for planning for unexpected income and expenses using an online budget calculator.

Instructions

Activity 1: Warm-Up

5 minutes

1. Display the **Title slide (Slide 1)** and distribute the handout packets to students, if you have not already.
2. Display the **Warm-up slide (Slide 2)** and point students to the copy of the prompt on the slide (*What new expenses do students often face after high school?*) that is provided on the first page of their handouts.
3. Invite students to take a moment to write down their responses to the prompt in the space provided in their handouts. Tell them there are no right or wrong answers—they should simply write whatever comes to mind.
4. Invite a handful of volunteers to share their ideas with the whole class and write down what they share on the writing surface.
5. Share that budgeting is a valuable tool for managing money and making informed financial decisions as students take on more financial responsibilities after graduation. Explain that a budget helps people plan for both *planned expenses*, such as rent, groceries, and transportation, and *unplanned expenses*, such as car repairs or medical bills. A *resilient budget* includes room for savings and unexpected costs, helping individuals manage financial challenges, adapt to changes, and stay on track toward their financial goals.
6. Display the **Learning targets slide (Slide 3)** and point students to the copy of the learning targets provided on the first page of their handouts. Review the learning targets with them.
7. Point students to the copy of the lesson glossary provided on the first page of their handouts and review the terms with them.

8. Point students to the **Note Catcher handout** and invite them to use it to take notes during the lesson.

Activity 2: Presentation

15 minutes

1. Display the **Presentation slide (Slide 4)**.
2. Point students to the **Common Monthly Budget Categories handout**.
3. Have students pair up and review the handout. Invite them to circle budget items they see that the class identified through the brainstorm in the previous activity, underline any categories or words they are unfamiliar with, and write in the blank spaces at the end of the handout any categories they think are missing.
4. After giving pairs about five minutes to work, get their attention and debrief the activity by inviting volunteers to share what they circled, underlined, and added to the handout.
5. Note that the handout provides common income, savings, and expense categories, but it is not exhaustive. Add that students will become very familiar with many of the categories as they graduate from high school and establish their lives as adults.
6. Display the **Budget boosts and bites slide (Slide 5)**. Review each item on the slide one at a time and ask students to quickly decide whether it represents an event or activity that helps or hurts a budget. Have students indicate their responses with a show of hands.
7. Display the **Budget boosts and bites (Answers) slide (Slide 6)**. Review the suggested answers with students and compare them to the class responses. Facilitate a brief discussion of any items that generated differing opinions.
8. Ask students to think about what choices people might make with their budgets if they receive an unexpected boost in income such as from a raise or a gift. Take suggestions from students and write them on the writing surface. Some ideas to suggest if students do not mention them include saving or investing the extra money, paying off debts, adding to their emergency fund, giving to charity, and treating themselves to a “want” item if their financial basics are covered.
9. Ask students to think about what choices people might make with their budgets if they face an unexpected expense like a medical bill or car repair. Take suggestions from students and write them on the writing surface. Some ideas to suggest if students do not think of them include using their emergency fund or savings to cover the costs, cutting back on non-essential spending, and delaying spending on “want” items.
10. Display the **Budgeting tools and apps slide (Slide 7)** and review with students. Explain that online budgeting tools and apps can help students track spending, set savings goals, and manage changes in income or expenses. Many banks, credit unions, government agencies, and nonprofits offer free budgeting tools. Remind students to protect their personal and financial information when using budgeting apps and websites.

1. Display the **Application Activity slide (Slide 8)**.
2. Divide the class into small groups.
3. Display the **Activity instructions slide (Slide 9)** and point students to the **Budget Curveballs handout**. Review the activity instructions as a class. Students will record the monthly income and expense amounts from an assigned scenario on the budget form provided in the handout. Next, they will use a free online budget calculator (see the “Preparation” section above) to enter the income and expense information and create an initial budget. As students work, they will be presented with a series of three budget “curveballs” that introduce unexpected changes to their financial situation. After each curveball, students will update their budget, discuss how they could adjust their income, expenses, or savings to respond, and record their revised budget information on the handout. After completing all three curveballs, groups will answer reflection questions and prepare to share their ideas and budget decisions with the class.
4. Assign each student group one scenario and invite them to begin the activity.
5. Circulate among the groups as they work to answer questions and make sure they are staying on task.
6. When all student groups have recorded their income and expense information in the handout and copied it into the online calculator, get their attention.
7. Display the **Curveball 1 slide (Slide 10)**, which introduces an unexpected increase in transportation costs. Have students review the information on the slide.
8. Have students update their budgets in the online calculator to reflect the change, discuss how they would adjust their income, expenses, or savings, and record their revised income and expense figures in the “Curveball 1” column of the monthly budget form in the handout.
9. Display the **Curveball 2 slide (Slide 11)**, which introduces a loss of income due to illness. Have students review the information on the slide.
10. Have students update their budgets in the online calculator to reflect the change, discuss possible adjustments to their income, expenses, or savings, and record their revised figures in the “Curveball 2” column of the monthly budget form in the handout.
11. Display the **Curveball 3 slide (Slide 12)**, which introduces a monetary gift. Have students review the information on the slide.
12. Have students update their budgets in the online calculator to reflect the additional income, discuss how they might adjust their spending or savings plans, and record their revised figures in the “Curveball 3” column of the monthly budget form in the handout.
13. Have groups discuss and respond to the reflection questions at the end of their handouts.

14. When it looks like groups have completed their work, get their attention and move on to the activity debrief.
15. (Optional) Provide students with a short break. The **Break slide (Slide 13)** is provided if you choose to give students a break at this point or later in the lesson.

Activity 4: Activity Debrief

10 minutes

1. Display the **Debrief slide (Slide 14)**.
2. Invite a spokesperson from each group to briefly explain how the group responded to the budget curveballs, including the changes they made to their income, expenses, or savings. Encourage groups to share their reasoning and discuss how their decisions affected their ability to stay on track toward their financial goals.
3. Display the **Building resilient budgets slide (Slide 15)** and review the tips provided with students. Reinforce that a strong budget is flexible and helps people prepare for both expected and unexpected expenses. Remind students that regularly reviewing their budget, prioritizing needs, and consistently saving can help them stay on track and reach their financial goals even when circumstances change.

Activity 5: Wrap-Up

5 minutes

1. Display the **Wrap-Up slide (Slide 16)**.
2. Display the **Exit ticket slide (Slide 17)** and point students to the copy of the prompts on the slide that is provided on the last page of their handout packets. Invite students to write their responses to the prompts in their handouts in the spaces provided.
3. Display the **Thank you! slide (Slide 18)**.
4. Answer any final questions and thank students for their participation.

Glossary

Planned expenses: Expenses that you know are coming, such as rent, car payments, or a phone bill.

Resilient budget: A spending and saving plan designed to withstand financial disruptions and unexpected expenses without compromising long-term goals.

Unplanned expenses: Expenses that pop up unexpectedly, like car repairs or emergency medical bills.