

## LESSON PLAN

### Money Matters: Why It Pays To Be Financially Responsible

#### Learning Objective(s):

- Explore personal financial choices
- Learn to make informed financial decisions
- Consider what it means to be financially responsible

#### Target Group:

- **Grade 9 – Grade 11**

#### Lesson Excerpt:

Teens aren't typically known for their financial responsibility—yet many are already using complex financial strategies. For example, shopping at the mall calls for cost comparisons, and saving for a skateboard requires budgeting. To learn about responsible money management, it's important to take a look at the building blocks of financial decision-making. In this lesson, students will examine the spending decisions they already make, then examine real-life spending scenarios and research, analyze and present their recommendations to the class.

**Essential Question “What does it mean to be financially responsible?”**

**Investigate: Our Current Money Skills**

**[Time Required: 15 minutes]**

1. Begin by asking students about the last big purchase they made. What was the purchase? What decisions and research went into it? Are they still happy with the purchase? Record students’ experiences on the board.
2. Invite students to share further strategies that their classmates could have used before making their purchases (e.g., comparing cell phone plans across carriers, weighing the short-term and long-term happiness of buying a new video game system). What could happen if they didn’t have a spending strategy? Mention that not having a purchase strategy can lead to spending more than they need to on certain items and spending beyond their means.
3. As a class, analyze students’ stories and look for common themes. For example, do students frequently compare prices at various stores? Do they think about how often they will use an item before they purchase it? Why do they take these steps?
4. Ask students what they think is meant by **financial responsibility**. Why is it important? Record students’ ideas on the board.

**Student Preparation: Understanding Financial Lingo**

**[Time Required: 15 minutes]**

5. Distribute the activity sheet 1 to each student. If possible, project the list of terms and financial analyses onto the board, or write the words on the board.
6. Ask students if they have heard the terms on the activity sheet before. If so, where? Were any of the concepts addressed in the class discussion about purchases? How do these strategies connect to the idea of financial responsibility? Record students’ thoughts on the board.
7. Encourage students to write about how each strategy connects to their own lives. Call on students to share their responses with the class.

### **Challenge: What Would You Do?**

**[Time Required: 30 minutes]**

8. Introduce the activity sheet 2 and challenge the class to think about how they would approach one of the financial scenarios presented. Then break the students into small groups.

9. Assign a scenario to each group and ask students to research, brainstorm and analyze resources and information to help them approach their scenarios. Explain that at the end of the activity, groups will share a plan for their scenarios with the class. Teams can decide how best to present their solutions, even creating posters or a digital slideshow if time allows.

10. Encourage teams to discuss the challenges they faced in addressing their scenarios and how they overcame these challenges. Also ask them to share the websites they found the most helpful and why.

### **Reflection**

**[Time Required: 10 minutes]**

Have students reflect and journal in their notebooks about how making responsible financial decisions can lead to financial well-being over a lifetime. What other financial decisions will they likely be faced with? Ask students to consider the importance of making decisions that take into account financial information like **income, expenses, budgets** and **goals**.

## **Student Activity Sheet 1**

Do you ever feel like money terms go right over your head? The reality is that you probably already know and use a lot of financial vocabulary. Read through the terms below and think about how they connect to your life.

### ***Terms to Know***

### ***How Does This Relate to Me?***

#### **Cost Comparison**

Comparing the cost of two or more goods or services in an effort to find the best value.

***When have you used cost comparison?***

*Provide an example:* \_\_\_\_\_  
\_\_\_\_\_

#### **Cost-Benefit Analysis**

Analyzing whether the cost of an item is more than, equal to, or less than the benefit that comes from purchasing that item.

- **Cost** - The price paid for a good or service.
- **Benefit** - An outcome that promotes well-being.

***When have you used cost-benefit analysis?***

*Provide an example:* \_\_\_\_\_

*Identify something you want to do or purchase:* \_\_\_\_\_

*What is the cost?* \_\_\_\_\_

*What is the benefit?* \_\_\_\_\_

#### **Calculating Future Expenses**

Identifying the cost of meeting future needs and goals.

- **Short-term, medium-term and long-term goals** - Goals to achieve over specific periods of time.

***Identify 3 personal goals. Think about what is needed to accomplish each goal.***

*Short-term goal:* \_\_\_\_\_

*Medium-term goal:* \_\_\_\_\_

*Long-term goal:* \_\_\_\_\_

#### **Budget**

A plan for future spending and saving, weighing estimated income against estimated expenses.

- **Income** - Payment received for goods or services, including employment.
- **Expense** - Cost paid to secure a good or service.

***Choose one of your goals from above and estimate its expense. How much income do you estimate will be needed to support your goal?***

*Goal:* \_\_\_\_\_

*Estimated (monetary) expense:* \_\_\_\_\_

*Estimated income needed:* \_\_\_\_\_

## Student Activity Sheet 2

If you were faced with a major financial decision...would you know what to do? With your team, read your assigned scenario (below) and discuss the financial information and strategies you would use in that case.



### **Scenario 1: Saving for a car**

You want to buy a car in the next year so you can drive to your job and school without relying on family members.

**What financial information do you need?**

**What financial decision-making strategies can you use?**

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)



### **Scenario 2: Saving for college**

You are a freshman in high school and have your eye on a college degree. But college is expensive, especially since the costs include tuition, food, living expenses, travel and books.

**What financial information do you need?**

**What financial decision-making strategies can you use?**

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)



### **Scenario 3: Buying a cell phone plan**

It's time to buy a new cell phone plan, and you will be paying for this one yourself. The providers offer a lot of options, and your budget is limited.

**What financial information do you need?**

**What financial decision-making strategies can you use?**

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)