

Lesson Plan: Economic Well-Being and Budgeting

Subject: PSHE

Topic: Economic Well-Being: Setting a Budget

Duration: 1 hour

Age Group: Key Stages 3, 4, and 5 (Ages 11-18)

Lesson Objectives:

- Students will understand the importance of budgeting as a part of economic well-being.
- Students will learn how to create and follow a personal budget.
- Students will recognize the importance of saving and the risks associated with borrowing and debt.
- Students will develop skills to make informed financial decisions.

Materials Needed:

- **Interactive Video Lesson:** "Setting a Budget" (available on www.discoverlifeskills.com)
- **Download Excel Home Budget Template here** <https://tinyurl.com/2534jd96>
- Student handouts (available for download on the website)
- Access to budgeting tools (notebook, spreadsheet, or budgeting app)

Note: *Students should watch the interactive video lesson on www.discoverlifeskills.com to get maximum benefit from this lesson.*

Lesson Plan

Starter Activity (10 minutes):

1. **Class Discussion:**
 - Begin by asking students if they have ever had to manage money—through pocket money, allowance, or part-time work.
 - Ask them to share how they make decisions about spending or saving.
 - Introduce the concept of budgeting and why it is an essential life skill for managing personal finances now and in adulthood.

Main Activity (35 minutes):

1. **Interactive Video Lesson:** (15 minutes)
 - Instruct students to watch the interactive video lesson on www.discoverlifeskills.com, which covers the basics of setting a personal budget, the importance of saving, and the impact of credit and debt on financial health.

2. **Guided Budgeting Exercise:** (20 minutes)

- After watching the video, have students list their sources of income (allowance, part-time jobs, money from chores) and track their expenses (snacks, entertainment, savings goals, etc.).
- Encourage students to use either a notebook, spreadsheet, or budgeting app to create a simple budget based on the income and expenses they've listed.
- Introduce the **50/30/20 Rule**:
 - 50% on needs (essentials like food, transport)
 - 30% on wants (entertainment, hobbies)
 - 20% on savings or future goals
- Ask students to adjust their budgets using this rule as a guideline.

Reflection and Discussion (10 minutes):

1. **Class Discussion:**

- Have students reflect on their budgeting process.
- Ask them to share one thing they learned from tracking their income and expenses.
- Discuss the challenges of balancing spending and saving and how planning can help manage larger expenses in the future (rent, bills, groceries, etc.).

Plenary (5 minutes):

- Conclude with a brief discussion on the importance of long-term financial planning.
- Emphasize how setting financial goals and learning to manage money early can lead to financial independence and a stable adult life.
- Encourage students to share the video and website with friends and family to help spread financial literacy.

Homework:

- **Personal Budgeting:** Ask students to continue tracking their income and expenses over the next week. They should revise their budget using what they learned in the lesson and set a savings goal for a future purchase.

Assessment:

- Participation in the budgeting exercise.
- Completion of the budgeting homework assignment.

Additional Resources:

- Free downloadable lesson plans and student handouts are available on www.discoverlifeskills.com.