

Talking to your kids about money at an early age can help them understand the value of the dollar, how to save for long-term goals and how to spend responsibly. Teaching children about finances can build financial literacy and give them a stronger ability to manage their finances later in life. According to the Council for Economic Education, only a third of U.S. states require high school students to take a personal finance class in order to graduate. According to the Program for International Student Assessment, one in five 15-year-olds in the U.S. lacks basic financial literacy. Use these resources to help teach your children about finance so they will have a head start into adulthood!

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# FINANCE4KIDS ACTIVITIES

## Lesson Two: Making Spending Decisions

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**Grades: Pre-K - 2nd**



name: \_\_\_\_\_

date: \_\_\_\_\_

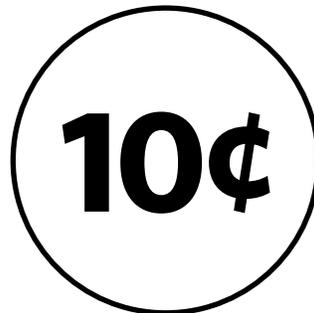
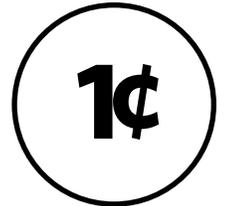
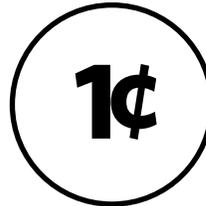
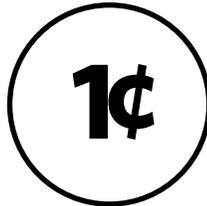
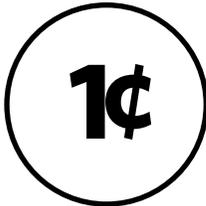
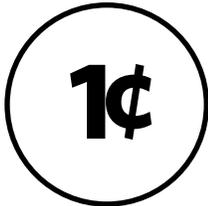


# identifying coins



## directions

Color and then cut out your own play money.

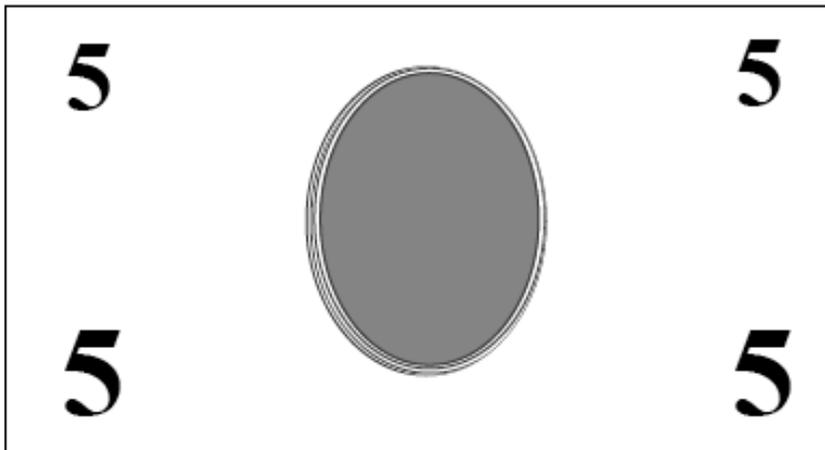
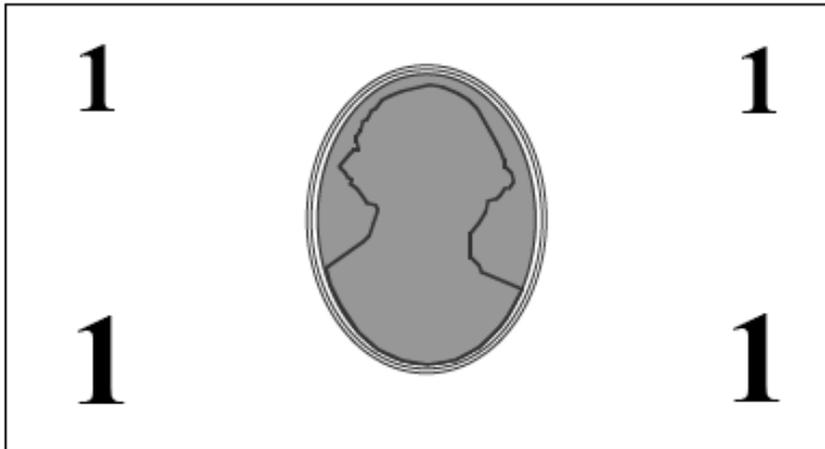
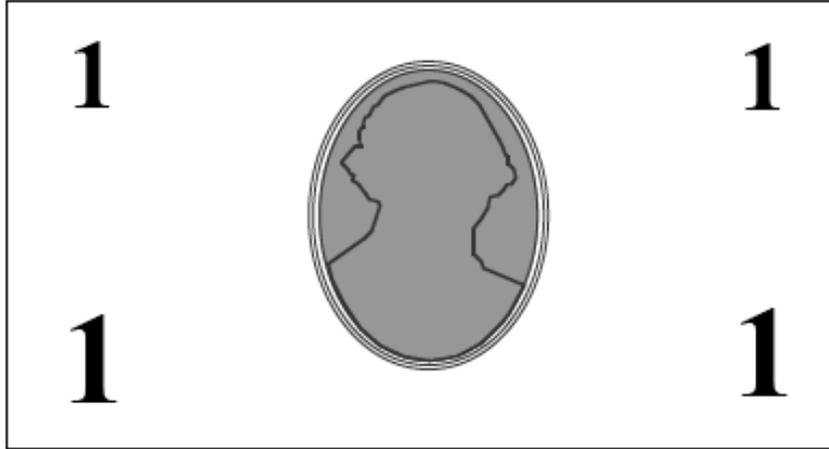


# identifying bills



**directions**

Color and then cut out your own play money.



name: \_\_\_\_\_

date: \_\_\_\_\_

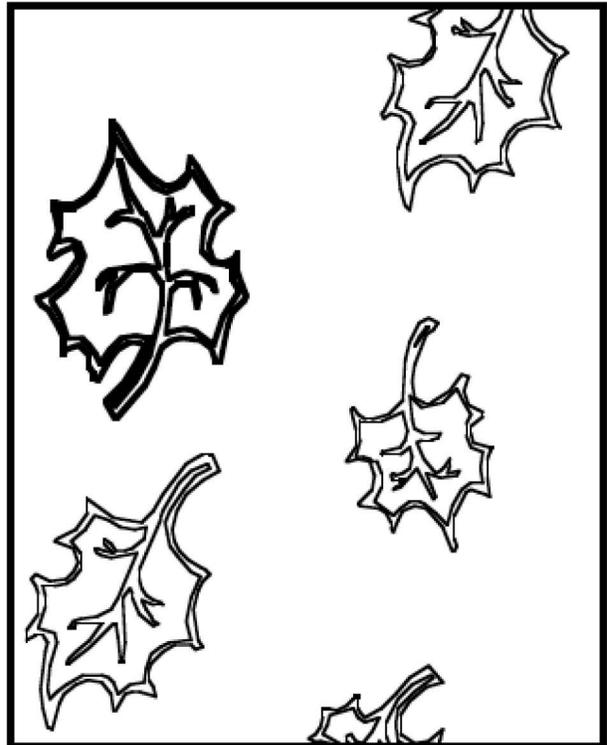
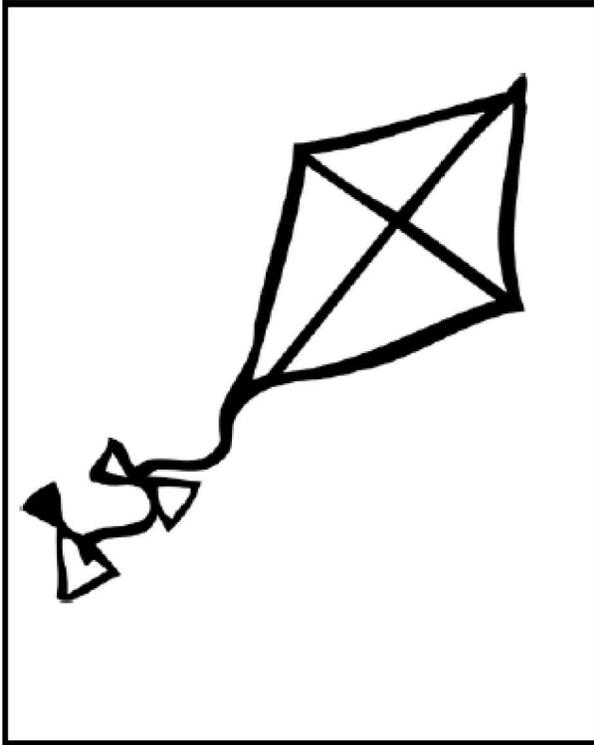


## quiz: what costs money



### directions

Color in the picture of the toy that costs money.





## quiz: what costs money

circle the correct answer for each question.

1. Do you need money to buy snacks at the grocery store?

Yes

No

2. Do you need money to buy toys?

Yes

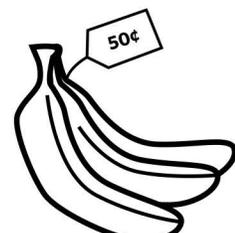
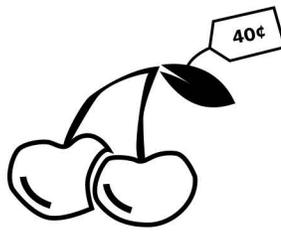
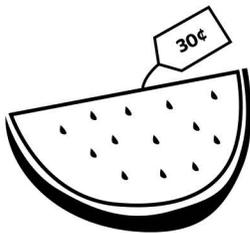
No

3. Do you need money to buy things at the store?

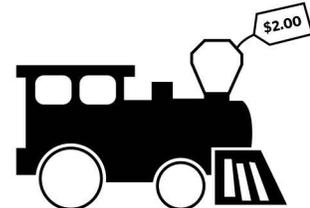
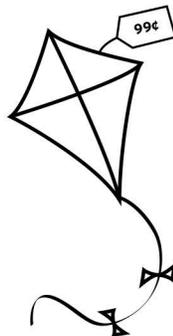
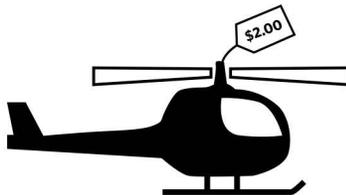
Yes

No

4. I have three . I can buy:



5. I have \$1.00. I can buy:





# FINANCE4KIDS ACTIVITIES

## Lesson Two: Allowances and Spending Plans

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Grades: 3rd - 6th





# allowance allocation

## directions

Your teacher will tell you how much "money" you have to spend. You may be using beans or other objects to represent money. Now, you need to make spending decisions in all of these categories. Place one bean in each square next to the option you choose in each category. Your goal is to spend something in each category, making sure you have enough money to cover all categories.

<b>school lunches</b>			
lunch out with friends	<input type="checkbox"/>		
take packed lunch from home	<input type="checkbox"/>	<input type="checkbox"/>	
get sandwiches from the store	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
eat at a restaurant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>video games</b>			
play with games you already have	<input type="checkbox"/>		
purchase used video games	<input type="checkbox"/>	<input type="checkbox"/>	
play video games at an arcade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
buy new video games	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# allowance allocation

## movies

borrow from the public library

rent a video

go to half-price matinee

go to see full-price movie

## sports equipment

use equipment that you already have

buy used sports equipment

buy new sports equipment

buy brand-name sports equipment



# allowance allocation

## clothes

wear what you already have

buy at a thrift store

buy at a discount store

buy at a department store

## donations to charity

less than five percent

five percent

ten percent

name: \_\_\_\_\_

date: \_\_\_\_\_



# spending diary

## directions

For one week, keep track of how you spend your money. At the end of the week, you may be surprised to see where your money goes. After you fill out this chart, answer the questions below.

day	item	amount spent

### setting up a spending plan

What are the common categories for the expenses in your spending diary?

- 1.
- 2.
- 3.
- 4.
- 5.

### how much did you spend in each category?

category	total amount spent





## quiz: spending plans

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**circle the correct answer for each question.**

1. Spending plans are decisions about how you spend your allowance.  
True  
False
2. A written spending plan is the best way to manage an allowance.  
True  
False
3. Spending plans should be discussed with parents.  
True  
False
4. Everyone has the same spending plan.  
True  
False
5. My spending plan must remain the same for an entire year.  
True  
False
6. Giving to a church or charity can be part of my spending plan.  
True  
False
7. Changes can be made in my written spending plan:
  - a. Only once a week
  - b. Only once a month
  - c. Only every six months
  - d. As my needs change
8. Saving provides money for:
  - a. Emergency expenses
  - b. Unplanned expenses next year
  - c. Expenses in five years
  - d. All of the above
9. A spending plan can be made by:
  - a. Keeping a diary of expenses
  - b. Asking a friend to make it for you
  - c. Deciding what to purchase when you go to the store
  - d. Checking how much money is in your pocket
10. Which of the following is NOT a spending plan category:
  - a. Transportation
  - b. Entertainment
  - c. Candy bars
  - d. Clothing



# FINANCE4KIDS ACTIVITIES

## Lesson Two: The Art of Budgeting

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**Grades: 7th - 12th**





# what are your goals?

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## directions

List some of your educational, social, financial, family, health/physical, and recreational goals. In some categories you may have more than six goals; in others you may have fewer.

### my educational goals include:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

### my social goals include:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

### my financial goals include:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

# what are your goals? (continued)

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**my family goals include:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

**my health/physical goals include:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

**my recreational goals include:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_



# working with your goals

## what goals are the most important to you?

Choose the two goals from each category that are the most important to you. Identify each goal as short-term (1–4 weeks), medium-term (2–12 months), or long-term (1 year or longer).

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_

## prioritize your goals

List and prioritize six of your most important goals. After each goal, identify what you could be doing now to work toward the goal, and what resources (if any) you need to achieve each goal.

**goal #1** \_\_\_\_\_

What I can be doing now to work toward this goal:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The resources I need to achieve this goal are:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# working with your goals (continued)

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**goal #2**

What I can be doing now to work toward this goal:

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The resources I need to achieve this goal are:

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---

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**goal #3**

What I can be doing now to work toward this goal:

---

---

---

The resources I need to achieve this goal are:

---

---

---

**goal #4**

What I can be doing now to work toward this goal:

---

---

---

The resources I need to achieve this goal are:

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---

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## working with your goals (continued)

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### goal #5

What I can be doing now to work toward this goal:

---

---

---

The resources I need to achieve this goal are:

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---

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### goal #6

What I can be doing now to work toward this goal:

---

---

---

The resources I need to achieve this goal are:

---

---

---



# where does your money come from?

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**directions**

Answer these questions. Be prepared to discuss your answers in class.

1. List your current source(s) of income.

2. What do you expect to be your source(s) of income in the near future?

3. What are your feelings about being financially dependent vs. financially independent?





# setting up and maintaining a personal budget

## directions

Use this form to set up a personal budget. After you've completed your planning, try to stick to your budget for one month. At the end of the month, record your actual income and your actual expenses. Calculate the difference between what you thought you would earn and what you actually earned, and what you thought you would spend and what you actually spent.

income	budget	actual	difference
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
<b>total monthly income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

expenses	budget	actual	difference
<b>fixed regular expenses</b>			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Job #1	\$	\$	\$

<b>fixed irregular expenses</b>			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$

<b>transportation</b>			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$

## setting up and maintaining a personal budget (*continued*)

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**other**

Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition	\$	\$	\$
School expenses	\$	\$	\$
<b>total monthly expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>



## rework a budget

### directions

Use one of the attached budget sheets to set up and maintain Gabrielle's budget. Then, use the other sheet to rework Gabrielle's budget into one that fits your personal lifestyle.

### her planned income and expenses

Gabrielle works part-time at a greeting card company and part-time at a record store. The net monthly income from her first job is \$600. The net monthly income from her second job is \$800.

#### Her planned fixed monthly expenses include:

- \$200 for rent (she shares an apartment with two friends)
- \$175 for car payment
- \$220 for car insurance

#### Her planned flexible expenses include:

- \$100 (to save for going to trade school)
- \$150 for food
- \$40 for gas and oil
- \$50 for clothes
- \$60 for entertainment
- \$30 for personal items

### how her month actually went

#### 1. What she made:

- Gabrielle made \$45 in overtime pay this month

#### 2. What she spent on fixed, regular expenses:

- Rent went up to \$225, starting this month
- Her monthly car payment was \$175
- Her monthly car insurance premium, as of this month, went up to \$295

#### 3. What her flexible expenses actually were:

- \$190 for food (she had a dinner party for which she hadn't budgeted)
- \$60 for gas and oil (her car needed an oil change)
- \$34 for parking and bridge tolls
- \$220 for car repairs
- \$80 for a new pair of running shoes
- \$70 for entertainment
- \$60 for personal items
- \$36 for a birthday present for her mother

#### 4. Her unexpected expenses:

- Gabrielle got two speeding tickets in one week. The total cost of both tickets is \$230.

## **rework a budget (continued)**

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### **how does her budget look now?**

- 1.** What is the difference between Gabrielle's planned expenses and her actual expenses?
- 2.** In what areas did she overspend?
- 3.** In what areas did she spend less than she planned?
- 4.** How much did she spend for the use of her car this month?
- 5.** How much money did she have at the end of the month to put into savings?

### **if it were your budget...**

- 1.** Using the attached budget sheet, set up a budget for yourself. Use Gabrielle's income as a starting point. Keep in mind your personal financial goals.
- 2.** What did you change about the budget?
- 3.** How much would you save each month to put toward your personal and financial goals?

## rework a budget (continued)

### Gabrielle's budget

income	budget	actual	difference
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
<b>total monthly income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
expenses	budget	actual	difference
<b>fixed regular expenses</b>			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Job #1	\$	\$	\$
<b>fixed irregular expenses</b>			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$
<b>transportation</b>			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$
<b>other</b>			
Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition	\$	\$	\$
School expenses	\$	\$	\$
<b>total monthly expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## rework a budget (continued)

### if it were your budget

income	budget	actual	difference
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
<b>total monthly income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

expenses	budget	actual	difference
<b>fixed regular expenses</b>			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Job #1	\$	\$	\$
<b>fixed irregular expenses</b>			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$
<b>transportation</b>			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$
<b>other</b>			
Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition	\$	\$	\$
School expenses	\$	\$	\$
<b>total monthly expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>



## quiz: the art of budgeting

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### true-false

1. \_\_\_\_\_ The budgeting process starts with monitoring current spending.
2. \_\_\_\_\_ Most short-term goals are based on activities over the next two or three years.
3. \_\_\_\_\_ A common long-term goal for parents of a newborn child may involve saving for college.
4. \_\_\_\_\_ Rent is considered a fixed expense.
5. \_\_\_\_\_ Flexible expenses stay about the same each month.

### multiple choice

6. \_\_\_\_\_ The final phase of the budgeting process is to:
  - A. set personal and financial goals.
  - B. compare your budget to what you have actually spent.
  - C. review financial progress.
  - D. monitor current spending patterns.
7. \_\_\_\_\_ An example of a long-term goal would be:
  - A. an annual vacation.
  - B. saving for retirement.
  - C. buying a used car.
  - D. completing college within the next six months.
8. \_\_\_\_\_ A clearly written financial goal would be:
  - A. "To save money for college for the next five years"
  - B. "To pay off credit card bills"
  - C. "To invest in an international mutual fund for retirement"
  - D. "To establish an emergency fund of \$4,000 in 18 months"
9. \_\_\_\_\_ An example of a fixed expense is:
  - A. clothing.
  - B. auto insurance.
  - C. an electric bill.
  - D. educational expenses.
10. \_\_\_\_\_ \_\_\_\_\_ is commonly considered a flexible expense.
  - A. Rent
  - B. A mortgage payment
  - C. Home insurance
  - D. Entertainment

### case application

Each month, Mary and Brad Johnson have lengthy discussions about their household spending. They do not understand why they are continually short of money even though they both have good salaries. What actions might be taken to avoid personal and financial difficulties?