

Budgeting your financial resources

Financial planning helps you use your money to get the most out of life. A financial plan, or budget, is a decision-making tool based on the basic principles of scarcity, choice, and opportunity cost. Without a financial plan, impulse buying may make it difficult to "make ends meet," no matter your income. Equipped with an understanding of financial planning, students are better able to adapt to ever-changing economic conditions.

It is important to realize that every purchase involves cost. To be truly satisfied with a purchase depends on analyzing its costs and benefits.

Standards

MHS – S1 - C2 – PO2 Allied Health: 11.1, 11.2, 33.1, 33.3
S2 - C1 - PO3
S3 – C4 – PO3
S5 - C2 – PO2,5

Concepts

- Budget
- Earned Income
- Unearned Income
- Fixed Expenses
- Variable Expenses

Objectives

- Identify sources of income
- Identify expenses
- Distinguish between fixed and variable expenses
- Develop a personal budget

Time required

One or two class periods

Materials

Web pages or printed versions of these web pages

- [Sample Budget](#)
- [Starting Salaries](#)
- [Determining Your Budget](#)

Procedure

Explain that a budget is a planning tool that can be used to help individuals and families manage their money. The idea of a budget is to use money to stretch purchasing power and raise the budgeter's standard of living. If working online, students will pull up the [Sample Budget](#). If working with hard copy, each will be given a copy. Discuss the amounts within the budget.

1. **Income.** Using the Sample Budget, ask students to think of other sources of income that people might have. (Gifts, dividends, tips, commissions).
2. **Expenses.** Tell students that it helps to keep a log of monthly expenses to determine their spending habits when starting to budget. They must keep in mind that there are two types of expenses.
 - Fixed expenses – expenses that remain the same each month. Examples of fixed expenses include rent, car payments, insurance, monthly savings plan, etc.

- Variable expenses – expenses that change each month. Examples are clothing, food, entertainment, etc.

Ask students to offer examples of other things they might wish to buy that don't appear on the Sample Budget. Ask them to classify their examples as fixed or variable.

3. **Compare expenses to income.** When all is said and done, Your cash balance should be zero; that is, income and expenses should be equal.
 - What would a person have to do if their expenses exceeded their income?
 - What could they do if they had money left over after deducting all their expenses

Making your own budget

1. Explain to students that they will now work individually to develop their own budget following the format in the Sample Budget. Briefly discuss how the level of education required for a position directly affects the salary of positions. Then, ask students to begin work on their budgets.

Students should follow this order when making their budget

- a. Explore Starting Salaries and choose a salary of a job that interests them. Don't let everyone choose a high salary just to have more income.
 - b. Calculate their take-home pay.
 - c. Students must deduct expenses from their take-home pay. To do this, they must choose from the various size expenses in each grouping, Housing, Communications, etc.
 - d. After students have entered their expenses, they should compare their "what they have left".
2. Have all or a few students to present their budgets to the class. Presentations will demonstrate that all budgets are personal and individual.

Devising a Budget

INTRODUCTION : This lesson focuses on the financial aspects of running an organization.

GOALS

To understand financial aspects of running a business (start-up costs including expenses, rent, payroll, utilities, supplies) and what a budget looks like in an Allied Health care setting.

To understand financial responsibility in your personal life.

STANDARD

- MHS – S1 - C2 – PO2 Allied Health 11, 19, 22, 33
S2 - C1 - PO3
S3 – C4 – PO3
S5 - C2 – PO2,5

OBJECTIVES

Students will discuss the importance of taking responsibility for personal financial decisions.

Students will compare the advantages and disadvantages of different payment methods.

VOCABULARY

Available credit, balance sheet, budget, CC payment, loan payment, payroll, rent, supplies, utilities

MATERIALS

Vocabulary
Budget worksheet

INSTRUCTION

Explain to students that there are many types of organizations that exist in the United States (and across the globe).

Ask the students to work in pairs and pick a different type of business and brainstorm every possible type of expense.

Come together as a class and list all the different types of expenses that an Allied Health business may have during an annual budget year.

Have students use the list of expenses that they created and create a budget for the first year (or first month) of their business. Have them research how much things cost (if they don't know) so that they can see a realistic value of a budget for a year.

Class Discussion: How can business expenses related to your everyday life? Have the class talk about what expenses incurred by a business are incurred by your family? By you?

Follow-up Activity: Ask students to make a list of what they think they spend in a week. Then have them create a budget factoring in their allowance, other money they get from their parents, money they get from their job, etc. for revenue and everything they spend (including charitable donations) for the expense side. Emphasize to the students how health care budgets are on a much grander scale.

ASSESSMENT OPTIONS : Collect budgets to evaluate student work.

AND BEYOND

Hand out a budget (probably simplified) from an actual business so that students can see what they were missing from their own budgets and see how much it really costs to run a business for just one year.

For the next month have the students use the personal budget that they created to chart their actual revenue and expenses. How did they do? Do they need to cut expenses, increase revenues, or not see so many movies on the weekends?

Have students fundraise for a cause they care about.

Budget Worksheet

Dollar Amount

Revenue

Individual Contributions
Donated Services
Gifts in-kind – goods
Donated use of facilities
Corporations
Foundations
Government
Other

Total revenue

Direct expense

Grant, awards & contract expense
Salaries & related expenses
Accounting
Other Prof fees
Interns
Web design
Evaluations
Donated Services
Training
Curricula
Printing & reproduction
Supplies
Donated materials & supplies
Telephone & telecommunications

Advertising
Public Relations
Marketing & promotions
Computer equipment & software
Equipment rental & maintenance

Books, subscriptions, reference

Occupancy expenses

Travel & meeting expenses

Miscellaneous expense

Total direct expense

Net: Revenue – Expenses

Constructing a Training Room

Primary Subject – Computer Software

Secondary Subjects - Math

Grade Level – 9-12

INTRODUCTION : This lesson is used to teach the different tools in a drawing program (Google Sketch-up).

OBJECTIVES : The lesson teaches the use of tools for shapes and lines, grouping, arranging, order, fill versus transparent feature, and aligning, as well as all the other features of the software.

STANDARDS

MHS – S2 – C1 – PO2 Allied Health: 8,10,19,20
S4 - C1 – PO1
S4 – C1 – PO2
S4 – C4 – PO3,5

PROCEDURE: The students are taken through the tutorials of Google Sketch-up software . They are given examples of a training room design and shown the basic usage of the program. Then they are taken to the computer lab and allowed to experiment with the software on a trial and error basis.

APPLICATION: The student is then asked to construct a drawing of a training room. The drawing is to be done using the Sketch-up layout. It must contain a training room with a windows, doors, walls and any other design features they choose. The drawing is to be in color as if it had been painted. The students will draw in 3D, as the software enables them to. Students should be encouraged to experiment with the different tools on the tool panel (not just the rectangle and oval). The polygon tool, and the freehand tool are ideal. They will be encouraged to let their imagination go.

ASSESSMENT : Collect Training room Designs to evaluate student work.