

## Making a budget: lesson plan

**Making a budget****Topic:** ESOL, numeracy**Level:** SfL Entry 3 / SQA National 4/ CEFR B1**Time:** 90 minutes**Objectives**

- Learners will be able to complete a simple personal budget
- Learners will practice adding, subtracting, multiplying and dividing with money
- Learners will be able to extract specific information from a text
- Learners will be able to discuss a problem and give advice.

**Introduction**

This lesson is about understanding the purpose and practice of making a personal budget. It provides learners with information about how to complete a budget and gives practice at discussing issues around money, such as debt.

Before the lesson prepare:

**Resource A** (text) print one copy per learner

**Resource B** (comprehension questions) print and cut up one set of questions per learner

**Resource C** (gapped example budget) print one copy per learner

**Resource D** (blank budget template) print one copy per learner to use as homework task

**Resource E** (changing weekly and monthly amounts) print one copy per learner

If you aren't able to display information electronically (task 1 discussion points and task 3 formulas,) write it on a flipchart/large sheet of paper beforehand, to save time during class.

Calculators would be useful, learners may want to use those on their phones.

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**Procedure****Warmer (5 mins)**

- Write these words on the whiteboard and ask learners what links them:

*budget, wealth, debt, income, coins, notes, rich, poor.*

*Answer - 'money'*

**Task 1: discussion (10 mins)**

- Display the following questions and ask learners to discuss in pairs / small groups:
  - *Can money bring you happiness?*
  - *Are you better at spending money or saving money - why?*
  - *What would life be like without money?*
  - *What do you think "money doesn't grow on trees" means?*
- Elicit some feedback from pairs / groups and share any new vocabulary that came out of the discussion.

**Differentiation**

Ask less confident speakers to give the initial (rehearsed) feedback while stronger speakers can be asked to expand on a point or give spontaneous feedback.

**Task 2: read a text (20 mins)**

- Display the image from **Resource A** and tell learners they will read about Sara and her family, and their financial situation.
- Give out the text (**Resource A**) and ask learners to read it through. As learners are reading, write the following words on the board:  
*take home pay, good value, receipts, household goods, treat*
- As they finish reading, tell learners to find and underline the words in the text and try to work out the meanings (learners may like to note the words down).
- Monitor the activity and encourage learners to underline any further words they don't know.
- Conduct brief open class feedback to check understanding of the new vocabulary.
- Give out questions (**Resource B**) and tell learners to complete them. Then briefly check answers open class.

**Differentiation**

Group learners of similar reading level together, so more support can be given to weaker readers.

### Task 3: understanding a budget (20 mins)

- Tell learners that Sara has decided that it would be a good idea to keep track of her money more accurately so she can find ways to save money. In order to do this, she has written down a list of all the money coming into and going out of her household in one month ie a budget. Ask if any learners write down a budget themselves.
- Write *income* and *outgoings* as column-headings on the whiteboard and elicit suggestions about what would go in each section, eg wages or salary, benefits, housekeeping, gas, electricity etc. Once you have a few relevant items in each column, write an amount of money next to each item (keeping the figures simple).
- Ask learners how they would find out the total income and total outgoings (ie add up each column) and ask them to do the calculation then elicit the answer.
- Ask learners how they would find out how much money is left over from the budget (ie subtract outgoings from income). Ask learners to perform the calculation and elicit an answer. Plan where on the board you will write this information, so that it is clear and can act as a prompt during task 4.
- Now explain that the figures used in a budget are either weekly or monthly, and to work out a budget, it's important to choose one type of figures and not mix the two.
- Display the following formulas electronically or on a flipchart -
  - *To change weekly figures to monthly figures:*  
*weekly figure x 52 (weeks) divided by 12 (months)*
  - *To change monthly figures to weekly figures:*  
*monthly figure x 12 (months) divided by 52 (weeks)*
- Complete question 1 from **Resource E** with the class as a demonstration and to check general understanding. Then give out individual copies of **Resource E** and monitor as learners complete the task.

*Suggested answers Resource D: 1. £953.33 / month, 2. £31.88 / week, 3. £1516.66 / month, 4. a) £19.23 / week, b) £83.33 / month*

### Differentiation

Consider grouping or pairing learners to provide peer support.

### Task 4: perform simple calculations (20 mins)

- Display **Resource C** (example budget) and point out the sections where income and outgoings are recorded as well as the final calculation in 'step 3'.
- Give out individual copies of **Resource C** and instruct learners to use the information in **Resource A** to fill in the gaps in the budget. The example budget is completed on

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a monthly basis, so figures given as a weekly amount in the text will need to be converted to monthly amounts, using the equation above. Monitor as learners complete the task then conduct brief feedback to check answers.

*Note: the example worksheet is calculated on the basis of just recording the pounds, not the pence ie £49.83 is counted as £49, and not rounded up.*

### Differentiation

- Learners with weaker numeracy skills can be given the exact amounts to be put into the budget, so they don't have change weekly figures to monthly figures.
- For faster finishers: working in pairs or small groups discuss ways in which Sara and her family could save money (eg find a cheaper mobile phone tariff) and re-calculate the budget using estimated amounts. Encourage learners to share their suggestions with the class at the end of the task.

### Task 5: giving advice (15 mins)

- Follow on class feedback by asking what would happen if Sara's outgoings were more than her income, and check learners know the meaning of '*to be in debt*'. Elicit suggestions of the problems that debt can bring (eg stress, financial hardship, marital breakdown) and things a person could do to help themselves (eg work out a budget, talk to their creditors, seek professional advice). Encourage use of contextual modal verbs.
- Tell learners to imagine that a friend of theirs is in debt, and they are worried about them. What advice would they give their friend?
- Learners can complete this task orally (in pairs or small groups) or in writing, according to their individual needs. Monitor as learners complete the activity.

### Cooler (5 mins)

Ask learners to give a brief recap of what they've learned in the class. Ask if anyone would now work out a budget themselves and elicit a list of benefits of working out a personal budget. You could give out copies of the blank budget template **Resource D**.

### Extension activities / Homework

Learners can watch a video about doing a budget and complete the accompanying language activities either in class or at home. There are also links to a detailed online budget planner that learners can complete.

<http://esol.britishcouncil.org/content/learners/uk-life/family-learning/budgeting-your-money>

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A blank version of the budget planner is included here **Resource D** which learners could take home and use to help them complete their own personal budget.



**Answers**

<b>Step 1: Income</b> weekly or monthly £		<b>Step 2: Outgoings</b> weekly or monthly £	
Wages or salary (Sara)	742	Mortgage or rent	650
Wages or salary (Adam)	1,266	Council Tax	150
JSA, ESA, Income Support	-	Water rates	40
Housing Benefit	-	Gas	40
Tax Credit	70	Electricity	35
Child Benefit	190	Housekeeping (food, cleaning products, toiletries)	520
other	-	TV licence	12
<b>Total income</b>	<b>2,268</b>	Travelling expenses (bus, taxi)	108
		Car (insurance, road tax, MOT, fuel)	0
		school meals / meals at work	151
		clothing	70
		home phone and internet connection	30
		mobile phones	60
		children's activities (extra lessons, clubs etc)	49
		leisure activities / hobbies	40
		other	0
		<b>Total outgoings</b>	<b>1,975</b>

<b>Step 3: Calculation</b>	<b>Total income</b>	<b>2,268</b>
	take away	
	<b>Total outgoings</b>	<b>1,975</b>
	<b>Total income left after outgoings</b>	<b>293</b>