



Curriculum Units by Fellows of the Yale-New Haven Teachers Institute
1980 Volume VII: Problem Solving

Income Budgeting

Curriculum Unit 80.07.13
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This unit is intended for middle school teachers with remedial students in grades 7-8. The unit is approximately for five weeks. The problems involve computations with addition, subtraction, multiplication, and division.

The students I have in my classroom are severely deficient in their basic mathematical skills. In order to create motivation it is important for the students to discover the relationship between classroom mathematics and its applications to everyday experiences. Budgeting an income provides a variety of ways to express this relationship.

Most of my students are from low income families which must function on a strict budget. Many students work daily after school and weekends. Most of the students work during the summer and they can use the money they make then to implement into a yearly budget. I want the students to realize the many ways money can be utilized for saving and spending. For the students without jobs and the knowledge of money I want a realization that money from their parents is not unlimited.

The unit will encompass basic mathematical skills studied in the past and ways to use them in problem solving budget questions. The calculations will involve simple mathematical steps instead of intricate ones that are soon lost. The student section of the curriculum is for remedial reading and mathematics students. I will use the local newspaper periodically in class which is offered free of charge to the students in the New Haven school district.

At the conclusion of the unit the students will have an idea of how much money is needed to survive with a family or independently. An idea will be formed of where the students can afford to live and what miscellaneous extras can be afforded. A realization of all the problems and factors involved in dividing an income will make the students aware of everyday money problems. One of the main goals is for the students to become motivated to learn and stay in school to obtain the skills necessary for a well paying career.

Budgeting an income requires a responsible person to work out how a family or individual will spend their money. Decisions have to be made based on what is of greatest importance to the family. A budget should express where the money is being spent and the areas where one can economize. A frequent review of a budget will help locate these areas. A budget helps people save for expensive items that can't be purchased with one paycheck. A small amount of savings put away on a regular basis will provide a source for emergency money.

The following questions are examples of the types of questions students should discuss before beginning to write a budget.

1. Why is it advantageous to construct a budget?
2. What should be included in my budget?
3. What will happen to my budget in a crisis situation?
4. Why are so many people with high salary jobs in debt?
5. Why don't more people use a budget?
6. Should I find a higher paying job to meet all of my budget needs?
7. Are all the items in my budget really necessary?
8. Is there room for savings within my budget?

Student Monthly Budget

Items	Monthly	Week 1	Week 2	Week 3	Week 4
Lunch	\$20	\$5	\$5	\$5	\$5
Recreation					
(movies, dates)	\$23	\$6	\$4	\$5	\$8
Snacks	\$14	\$2	\$4	\$4	\$4
Transportation	\$15	\$3	\$4	\$3	\$5
Miscellaneous	\$12	\$2	\$6	\$2	\$2
Total	\$84	\$18	\$23	\$19	\$24

Family Yearly Budget Four Family Members

Items	Approximate Previous Year	Estimated Present	Actual
Housing			
(including utilities)	\$2,400	\$3,000	\$3,000
Food	\$2,800	\$3,300	\$3,200
Clothing	\$800	\$800	\$850
Transportation	\$600	\$650	\$625
Insurance	\$600	\$650	\$650
Recreation	\$600	\$400	\$450
Miscellaneous	\$1,000	\$700	\$650
Savings	\$200	\$0	\$75

Total \$9,000 \$9,400 \$9,500

Enrichment Problems

1. Jan and Dave purchased a home for \$85,000, they had to put 15% of the total as a down payment. How much money did they need for a down payment?
2. Ivan earns \$842 per month, he is willing to spend 25% of his monthly earnings on an apartment, how much per month is he willing to spend?
3. If a pair of slacks cost \$14.98 and the tax is $7\frac{1}{2}\%$, what is the total cost?
4. Every month your salary is \$650, your monthly car payments are \$150, what % of your salary is that per month?
5. If Sue played 12 tennis games, she won 8 and lost 4. What % did she win?
6. Jim makes \$450 per month, he saves \$75 per week, what % of his monthly salary does he save?
7. What was the % discount on a tennis racket with a regular price of \$50 and a sale price of \$43?

Graphs, Lists, Charts, and Surveys

1. Make a list of your wants and needs. Analyze your list. Arrange your need in order of priority.
2. Graph how you spent all of your money last week. (First make a list of the categories and dollar amount for each.)
3. Survey 25 students outside of your class to discover what they spend most of their money on. Make a chart of the results.
4. If you had a job that paid \$825 per month and you were living alone, make a monthly budget chart to show how you would spend your money.
5. If you earned \$15 per week as a student, make a weekly budget chart to show the items and amount of money spent on each.

The Basic Objectives

The students will be able to:

1. describe the importance of using money wisely within a budget.
2. identify important aspects of their own budget
3. list important items in a family budget.
4. explain why each item in a family budget is important.
5. solve problems involving budgets using addition, subtraction, multiplication, and division.

Lesson Plans

Lesson I

A brain storming session to discuss critical items in a family and individual budget should be discussed. The difference between a family and individual budget should also be discussed. The sample discussion questions can be used.

Lesson II

Show students an example of an individual budget. The students should list the necessary items in their own budget and be ready to defend each item. Then give the students a money amount to divide among their budget.

Lesson III

The same as lesson II only use a family budget and discuss why there are more problems when a whole family is using the same budget.

Annotated Teacher Bibliography

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