

BUDGETING FOR INCOME AND EXPENSES SIMULATION: 1-Day TEACHER SECTION

Simulation Overview & Objectives

Digital Literacy Tool: Mint
Est time for activity: 45 Minutes

Overview

While all individuals make decisions on how to spend their money, not all take time to set financial goals and create a financial plan. Creating a budget and tracking monthly income and expenses is one the best ways to improve your financial well-being. In this simulation, students will use real-world technology and the app (**Mint**) to follow Scott, his fictitious budget, and his financial transactions to evaluate how Scott is managing his money. By looking at Scott's budget, students will learn about the components of a budget and how it can work to meet monthly goals. Finally, students will reflect upon their learning outcomes by conducting a short self-analysis about the budgeting process.

Objectives

1. Explain the purpose of creating a personal budget, also known as a spending plan.
2. List common personal expenses that may appear on an income and expense statement.
3. Analyze a personal budget and make recommendations for improved financial well-being.
4. Reflect upon the learning outcomes and ways to promote the value of creating a budget.

Helpful Mint Videos

- Introduction and Logging in to Mint: <https://youtu.be/qowo0-5jNYY>
- Mint Budgeting Video: <https://youtu.be/aLnj75nNSsQ>

Take Charge Today Lesson Connection

TCT Lesson 2.2.4

Budgeting for Income and Expenses Simulation has been created as a real-world, hands-on technology activity to accompany Take Charge Today Lesson 2.2.4 titled **Income and Expense Statement**. If you have not taught this lesson plan, we recommend students are proficient in budgeting concepts described in the section below, "What Teachers & Students Should Know".

DISCLAIMER:

For students to be able to access Mint successfully, they must use the same computer or device every time they access Mint. Otherwise, they will be forced to re-create a new account.

National Standards	
---------------------------	--

- Jump\$tart National Standards in K-12 Personal Finance Education: Spending and Saving
 - Standard 1 - Develop a plan for spending and saving.
 - Standard 2 - Develop a system for keeping and using financial records.
- Council for Economic Education (CEE) National Standards for Financial Literacy
 - Standard II: Buying Goods and Services
- National Business Educators Association (NBEA) Standards: Managing Finances & Budgeting
 - Develop and evaluate a spending/savings plan.

Supplies	
-----------------	--

Basics:

1. Teacher Section
2. Student Section
3. Student Simulation Worksheet
4. Optional Student Resource
5. Answer Key

Supplemental:

1. Device per student
2. Print copies or digital copies of the Student Guide & Worksheet
3. Sticky Note, Index Card or half sheet of paper to create an Exit Slip per student

What Teachers & Students Should Know	Developing Conceptual Understanding
---	--

Before starting the Mint activity, teachers and students should know the following:

1. Individuals make a spending plan, also referred to as a budget, to help identify income and expenses to track where their money is going and meet financial goals.
2. The formula for budgeting using an income and expense statement is:
 - a. Income **minus** Expenses **equals** Net Gain/Net Loss
3. Since both income and expenses can vary month to month, an effective spending plan should be managed and analyzed on a regular basis.
4. By creating and maintaining a budget, individuals can work toward achieving their financial goals.

What Students Will Do	Teaching Instructions & Time to Complete
------------------------------	---

Students will do the following in this activity:

1. Go to **Mint** or **Mint.com**.
2. Log on using directions from the **Step-by-Step Guide** to access Mint as the fictional user Scott.

Upon logging into Mint:

1. Direct students from the **Dashboard** to the following tabs:
 - a. Trends
 - b. Transactions
 - c. Budgets
2. Explain to students that Mint software attempts to record transactions into categories and also create a few basic major budget areas with budget limits (goal). But:
 - a. Sometimes the transactions are categorized incorrectly.
 - b. The Mint user must add additional budget areas.

The following timeline is recommended for carrying out this activity with students:

- 2 minutes to read scenario about the Mint profile.
- 5 minutes for guided demonstration of Mint and the Budgets and Transactions tabs.
- 25-30 minutes for students to explore Mint and complete the worksheet.
- 5 minutes for closing and check for understanding.

Assessing Learning	Exit Slips, Quizzes, Worksheets, & More
---------------------------	--

By exploring **Mint** and answering the worksheet questions, students will be exposed to real-world financial tools. To assess student learning, an exit slip with a reflection question is included at the end of the student worksheet. Use of this formative activity may allow the teacher to check for understanding and/or have a follow-up discussion.

Expanding Student Learning	Mint & TCT Lessons Continued
-----------------------------------	---

Listed below are five additional simulations connected with Take Charge Today lesson plans:

1. Budgeting for Income & Expenses Simulation: 3 Days
2. Finding your Net Worth Simulation (*coming soon!*)
3. Comparing Savings Accounts Simulation
4. Analyzing a Credit Score & Report Simulation
5. Evaluating Credit Card Offers Simulation