



LESSON TWENTY ONE

Budgeting: Planning for Special Purchases

TEACHERS

Introduction

Knowing our limits can guide our choices in many decisions. For example, making a shopping list and estimating how much to spend keeps us from busting our budget. Planning ahead allows us to allocate efficiently. That means, we get the most possible benefits from our limited resources. No method of distributing or allocating our resources is perfect. They all require us to make choices. As consumers, we use resources in different ways to satisfy our many wants. Planning before we shop will help reduce the potential for impulse buying and allow us to be more efficient when making our choices.

Purpose

This lesson will help students relate special concepts to decision-making.
Students will build a model and evaluate it.

Tool Kit

Newspapers, poster boards, tape or glue, markers and scissors for group activity

Procedure

1. Discuss examples of thrifty and wasteful behavior, and what affects the perception of each. Explain that good decision-makers are efficient.

Definition of the Week

Efficiency: Getting the most for our money; maximizing our benefits while minimizing our costs.

2. Have students describe a mall; discuss differences in size and location of stores. Identify other areas in the mall (playgrounds, rest rooms, etc.).

3. Put students in groups to create their own mall on poster board by cutting ads from the newspaper. Give each group copies of newspapers, one poster board, tape or glue, scissors and markers (to draw areas other than stores). Space is limited; all stores and services must fit on poster. When finished, let groups describe their malls to the class and talk about the decisions made with their space.

4. Have students compute square feet of shopping space versus square feet of other areas. Explain how malls charge stores per square foot to rent space. Give them a price per square foot to calculate potential rent expenses for each store. (Note: Rent from stores pays for other areas because nothing is free.) Have students identify the different types of stores in their mall (shoe stores, department stores, food services, toy stores, etc.). Ask them to calculate square footage and rent expenses for each type and calculate percentage for each category, including "free" areas.

5. Let groups analyze their results and write a summary describing their malls.

Ask if their space was used efficiently. Discuss how choices about other limited resources related to their model. Explain how using limited space is similar to using limited money: both require planning and trade-offs.

Extend this lesson: Get a scale drawing of a local mall; have students compare their mall, making comparable calculations.

PARENT OPTION

Help your child create a model of their bedroom on graph paper. Be sure to create a scale (such as one block equals one foot). Use a separate sheet of graph paper to draw furniture in the room. Help them re-arrange furniture in their room on paper. Discuss the challenges in making the changes. You can use this same idea to design a new garden, better organize a living room or other space at home. Also, talk with children about their plans for holiday gift-giving. Help them set spending limits and make good choices.

Gift Planning Guide



I plan to buy a gift for	My spending limit is	Possible gifts I can buy are	I have decided to buy	The reason for my choice is
1.	\$	a. b. c.		
2.	\$	a. b. c.		
3.	\$	a. b. c.		
4.	\$	a. b. c.		
5.	\$	a. b. c.		

For Teacher's Guide go to <http://schools.newsok.com/ItJustAddsUp.pdf>

Coming next week: How Much Will It Buy?

Newspapers for this educational program provided by: