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**M5 Lesson 6: Money Smarts Assignment**

Core Competencies:

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| * Communication | * Thinking | * Personal & Social |

Big Ideas:

* Lifelong learning fosters career-life opportunities.

Curricular Competencies:

* Practice effective strategies for healthy school/work/life balance
* Identify career-life challenges and opportunities, and generate and apply strategies

In this lesson, students will learn the basics about how to manage their finances, specifically how to create and calculate a budget considering their income and expenses. In the assignment, students will research different apps that will assist them in keeping track of their finances.

## **Finance and You**

**How do you know if you are able to manage your finances?**

## **How to Create a Budget**

Before we start with any specifics of creating a budget, it is critical for you to know where you are beginning. This means that you need to look closely at your current income. At this point in your life, you are a student and may or may not have some sort of income. You may receive an allowance or have a part time job that brings you some income. If so, great...let's start there. If not, don't worry, try choosing a weekly income number (say $200.00) and start there for the purposes of this activity.

We must know where we are starting to understand the basics of budgeting. Your income will change as your education and circumstances change and it is very important to regularly re-visit and adjust your budget.

**Step 1. Work out your total income**

Add together all the income you get each month. Make sure you include everything, whether its wages, benefits or pensions. If some of your income is paid weekly or 4-weekly, you’ll need to turn these figures into calendar monthly ones.

To do this you need to multiply the weekly figure by 52 and then divide this by 12. This will then give you a calendar monthly figure to include in your budget.

### **Step 2. Make a list of everything you spend each month**

You need to include amounts for things that you only pay for once a year or less often, such as Christmas, car repairs or vets bills. To do this you need to divide the yearly cost by 12 to give you a monthly figure which you can include in your budget. You can then set this money aside until the bill is due.

If you’re not sure what you’re spending your money on, try writing down everything you buy over a month. This will give you a clearer idea of your regular spending.

### **Step 3. Deduct the total amount you spend each month from your monthly income**

If you’ve got any money left over after you’ve paid for everything you have a ‘budget surplus’. If you’re spending more money than you’ve got coming in you have a ‘budget deficit’.

**Setting Up a Budget**

A budget, also called a spending plan, can help your prioritize expenses, save for your future and stay out of debt, all of which contribute to a happy and healthy life.

1. Create a realistic spending plan by listing your expenses, which are all your costs.  For one month, write down what you spend your money on, right to the last penny. Important - If you are working within the time frame of this course - work within a week and multiple this by four to represent one month of spending.
2. Identify your income.  Income is all money coming in from allowances, part-time jobs or birthday money.  It's important to have a clear picture of the money you earn.
3. Plan for your expenses into two categories:  fixed or variable.  Fixed expenses are always the same, while variable expenses are those you have more control over such as entertainment, magazines or extracurricular activities.
4. Set aside 10% of what you earn for savings.  For example, if you have $1.00 in your pocket, set aside 10 cents for savings.
5. Ensure that you balance your budget and do not let expenses exceed income.

**Expense Calculator**

One of the best ways to discover how much your goal lifestyle will cost you is to plan for it and budget. To do this, we need to have an understanding of our basic finances.

*Here is a great Expense Calculator:* <https://ic.gc.ca/app/scr/oca-bc/ssc/expense.html?lang=eng>

The Expense Calculator shows how much you can save by cutting back on costs.

Assignment:

**Have you ever thought of using an app to help with your finances?**

Smartphones have made it easier than ever for people to track their lives, with apps giving access to an exciting amount of our personal data, from how high our heart rate got on our morning run to the number of calories we consumed at lunch and even the details behind our sleeping patterns. Phones can also give students more insights into their budgeting and spending habits, with the use of banking and budgeting apps that can provide immediate updates to account balances, spending trends and progress toward financial goals.

**Why would you want to use a budgeting app?**

★ Easy...you want to budget!

A lot of people are happy spending rather than saving, but that’s not you! You know it is much easier to develop good saving and spending habits now, than to wait until you find yourself in debt. Careful budgeting will help you work towards your financial goals, whether it be saving up for a new phone, for college, or even for your date on Saturday night!

★ You like things to be easy!

From looking at your phone, you like to use apps! They are easy to use and allow for tracking and budgeting at a glance. You don’t need to worry if that payment will go through on your ATM card, as you are always aware of your bank balance. You can monitor your progress of your saving goal while eating your morning cereal.

★ You like your privacy!

You know that your financial business is only yours. Using a budgeting app allows your details to remain private, unlike a large computer screen or papers that others could view. You can look up your financial information while you are on the bus or at the mall, and keep it to yourself.

★ You want to be even more motivated and confident!

We all know that we need that extra motivation to budget our money, and the features on various apps can help keep us on track - look at it like a game! When we can quickly witness our small successes our confidence will grow, as will your confidence in your financial decisions!

Assignment:

In this assignment, you will research some of the finance and budgeting apps to find which one is best for you. Choose three apps to research from this list, and then add the app offered by your bank or financial institution.

[Assignment - Managing Your Finances Using an App](https://comoxvalleyschools.instructure.com/courses/1017/files/414028/download?verifier=48fATLI7JFWNXK197SCQtrQR3M68aWeOxVCxnsng&wrap=1) (use the attachment in the portal)

When you are finished, upload your assignment to your Grade 10 myBlueprint eportfolio, as well as submitting it here.

Assessment