

LIFE SKILLS CURRICULUM

MODULE 2: MONEY MANAGEMENT – BUDGETING, SPENDING & SAVING

LEARNING GOALS

- To help children understand the concept of budgeting vs. actual spending and benefits of saving
- To help instill good money habits; taking control of our money i.e. both the money we earn and the money we spend in achieving lifelong financial independence
- To educate children on responsible personal finances

TEACHING IDEAS

- **Budgeting Exercise**
 - Explain that a budget is a simple worksheet that list down the amount of money you earn, how much you have spend and the balance of money in hand
 - Let the class how much they are given for school, how they spend the money and what happen to the extra money.
 - Explain to them the difference between income and expenses. Ask them to name some sources of income (e.g. pocket money, allowance, etc.) and identify some key expenses in their home (e.g. electricity, food, bus fare, etc.). With the answers given, you can explain to the what is `needs' vs. `wants' category
 - Show them a simple weekly or monthly budget worksheet and how it can help them manage their money better. Get them to do the Budget Exercise. You may use the example listed below or create your own to suit your class needs:

Weekly Budget Worksheet

| Date | Descriptions | Amount Received (RM) | Amount Spend (RM) | Balance Amount (RM) |
|-------|---------------------------|----------------------|-------------------|---------------------|
| 2 Jan | Pocket Money (\$10x5days) | 50.00 | | |
| | Food @ School (\$5x5days) | | (25.00) | |
| 4 Jan | E pop Magazines | | (3.50) | |
| 6 Jan | Clean the house allowance | 15.00 | | |
| | Balance for the week | | | 36.50 |

▪ BUDGETING ACTIVITY

- After the above mentioned Budgeting Exercise, you may divide the class into group of 4-5 pax per group depending on the size of your class and ask them to create a budget based on the following assumptions
 - Karen is a new student in your class. She moved to your school early this year from Ipoh.
 - As she is staying with her aunt, her parents gave her a monthly allowance of RM350 per month
 - She wants to understand how much it costs to live in this town including school expenses. As a friend, you will need to help her create a monthly budget.

- You may get the class to look through newspapers or interview Officers to find out more about the various living expenses such as transportation cost, utilities e.g. electricity, water, telephone, etc. You may ask each group to present their findings and budget.

LESSON PLANS REVIEW / ACTIVITY DEBRIEF

▪ GROUP DISCUSSION

- Based on the Budgeting Activity, you can get the class to discuss on some of the following questions:
 - What types of items has every group budgeted for? Is there any missing item?
 - Will your friend able to living based on the allowances given by her parents? Why? Why not?
 - If the budgeted expenses are too high, is there any item that can be cut back on?
 - Has the budget include entertainment or any other non-essential items? If yes, what are the items?

LIFE APPLICATION / SUGGESTED ASSESSMENT

▪ Let's Get Started

- Get each child to create his monthly budget. Ask them to start saving by dedicating a portion of their weekly school allowance and record their saving in the Budget Worksheet for a period of one month
- You may encourage them to open a bank saving account with the money they have saved if they do not have a bank account.
- You can also share with them the concept of bank interest for saving account and how money can generate more money. Prepare some bank brochures about interest given for saving accounts as lesson information

▪ My Needs vs. Wants

- Ask the child to list down all things or items they usually buy or must-buy especially when they go shopping with their family and how much they have spend on each of them
- With the said list, get them to separate each item according to the `needs' and `wants' category and amount spend on each item
- Get them to compare between the `needs' and `wants' category and how they would be able to save should they spend less or avoid buying the `wants' item

▪ Simply Recording

- You can get the children to create a monthly budget and record down their allowance / money received, money spend and money saved
- Ask them to reflect on their budget and actual spending; check if there are any areas they can cut down on their spending and channel the respective amount into savings