

Name:

Students will be able to:

- Describe the purpose of a budget
- Classify expenses as needs and wants
- Explain the difference between gross pay and net pay

NOTE: Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)



INTRO

ACTIVITY: [Money Magic](#)

Creating and maintaining a budget is a key step of being financially secure. It can be challenging to come up with a plan that balances your needs and wants while also saving for future life events. Money Magic gives you the opportunity to make some of these decisions. Follow your teacher's directions to play Money Magic and help Enzo budget his way to Vegas!



LEARN IT

ARTICLE: [What Is a Budget?](#)

Now that you've had a chance to see the challenges of balancing all of the things that you wanted to do for Enzo with the needs of day to day life, let's get back to basics and consider the reasons that you would want to create a budget. Why is budgeting so important to financial success? Read the short article about the purpose of a budget. Then, answer the questions.

- 1. In your own words, explain why budgeting is important. Be sure to reference at least one of the reasons from the article.**

- 2. Have you ever tracked your expenses? What benefit do you think doing this might have in your personal life?**
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VIDEO: [Gross Pay vs. Net Pay: What's the Difference?](#)

A vital part of creating a budget is understanding how much money you have available to budget. You might think that's as simple as multiplying your hourly wage by your total hours worked—but that's not the case. Watch this video about the difference between gross and net pay. Then, answer the questions.

- 1. When you are creating a budget, should you use your gross pay or net pay? Explain your reasoning.**
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VIDEO: [Needs vs. Wants](#)

The next thing you'll need to do when creating a budget is to look at your expenses and figure out which ones are needs and which ones are wants. Watch this video to learn about the difference between needs and wants. Then, answer the questions.

- 1. Carly makes the following statement: "Everyone should have the same list of needs." Do you agree with this statement? Why or why not?**

- 2. Describe one example of something that might be a need for you but a want for someone else.**



DO IT

ACTIVITY: COMPARE: Needs vs. Wants

It's time to think critically about your own Needs vs Wants. Follow the directions on the worksheet to complete this activity.



EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.