Financial literacy is having the knowledge and skills needed to make informed and responsible financial decisions. With the rise in advertising targeted at youth and an ever-changing global economy, developing financial literacy skills is an essential learning target across North American schools. The Financial Literacy for Life series supports this initiative by offering an empowering introduction to financial literacy. Through student-centered examples, the series introduces core concepts related to financial literacy to help students understand the implications of choices and make informed decisions that lead to financial freedom later in life. Engaging scenarios and motivating questions inspire readers to think about financial planning in a real world contexts.

The multimodal lesson plans in this guide are tailored for grades 5 to 8. Lesson plans focus on developing the numeracy, critical-thinking, and problem-solving skills needed to develop financial literacy. Using the inquiry process, students will explore various topics related to financial planning and decision-making. Students will be able to explain the need for and purposes of financial planning and budgeting, explore the implications of interest, and examine informed spending decisions. Lessons focused on budgeting, interest, cost of borrowing, pathways, and sources of income support students in their understanding of finances and help them develop mathematics skills.

Lesson plans in this guide are designed in a sequential order that works to scaffold understanding. Reproducible worksheets and assessment tools accompany each lesson plan. The titles in Financial Literacy for Life include:

- The Bottom Line
- It Doesn’t Grow on Trees
- Getting Your Money’s Worth
- Money for Your Life
<table>
<thead>
<tr>
<th>Lesson Plan Title</th>
<th>Pacing</th>
<th>Vocabulary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lesson 1: Needs Versus Wants</td>
<td>1 period</td>
<td>consumer, expense, risk and reward</td>
</tr>
<tr>
<td>Lesson 2: Sources of Income</td>
<td>1-2 periods</td>
<td>budget, debt, income, profit, raise, percent</td>
</tr>
<tr>
<td>Lesson 3: Budgeting for a House</td>
<td>1 period</td>
<td>balance, budget, debt, expense, income, interest, interest rate, loan, mortgage, tenant, real-estate, percent</td>
</tr>
<tr>
<td>Lesson 4: Budgeting for Groceries</td>
<td>1-2 periods</td>
<td>budget, expense, tax, minimize</td>
</tr>
<tr>
<td>Lesson 5: Budgeting for Transportation</td>
<td>1-2 periods</td>
<td>budget, debt, expense</td>
</tr>
<tr>
<td>Lesson 6: Savings and Budgeting</td>
<td>2-3 periods</td>
<td>balance, budget, debt, expense, income, interest, interest rate, long-term goal, paycheck-to-paycheck, spreadsheet, tax, tax return, risk and reward, percent, savings</td>
</tr>
</tbody>
</table>

* 1 class period = 40-60 minutes
Accommodations provide equal access to learning and equal opportunity to demonstrate what is learned. Accommodations allow a student access to the subject or course without any changes to the knowledge and skills the student is expected to demonstrate.

Educators are encouraged to adapt the instructional approach, activities, and assessments included in this guide to best meet the diverse interests, needs, and abilities of their students. Possible accommodations may include:

**Instructional Strategies**
- Break tasks into parts with accompanying timelines
- Provide extra time for processing of oral information.
- Pair oral instructions with visual ones (writing or symbols)
- Pre-teach new vocabulary and regularly review previously taught vocabulary
- Provide model of completed work
- Frequently check with the student to get him/her started
- Provide oral and visual instructions and examples
- Provide a checklist of tasks for the student

**Environmental Strategies**
- Proximity to teacher
- Strategic seating
- Flexible or mixed-ability grouping
- Provide an alternative setting for learning that is free from visual and auditory distractions.

**Assessment Strategies**
- Build in extra time to allow student to process questions asked and answers given
- Provide written instructions and rubrics for assignments
- Offer a choice of assessment activities so that the student can choose one suited to their strengths
- Space out or extend assignments to prevent student feeling overwhelmed
- Reduce the number of tasks used to assess skill or concept
- Allow students to use assistive devices or technology
LESSON 1
Needs Versus Wants

Curriculum Correlations

Ontario Language Arts
Grade 5 Language Arts - Oral Communication - 1.6; 2.3
Grade 6 Language Arts - Reading - 3.1
Grade 7 Language Arts - Reading - 1.3

Common Core
Grade 5 - RI.5.4
Grade 6 - RI.6.4

C3 Framework
D2.Eco.1.3-5
D2.Eco.2.3-5

Objectives
Students will:
• Begin to gain an understanding of terminology related to finances and financial literacy
• Recognize what constitutes a “want” and a “need”
• Understand the differences between a “want” and a “need”
• Make connections between textbook and their own understanding of concepts

Setting the Stage
Provide each student with a copy of My Top 5 Essential Items. In the first column, have each student record what they consider to be the Top 5 essential items for their house in order of most essential to least essential. The column labeled 'W/N' will be filled out later.

Materials
• Money for Your Life: Invest in Your Financial Future book (Financial Literacy for Life)
• My Top Five Essential Items (one copy per student)
• Exit Ticket #1 (one copy per student)
Activity

Wants vs Needs

As a class, discuss the different items on each student’s list. Have students compare what they considered more essential. Brainstorm the definition of “wants.” Then, brainstorm the definition of “needs.” As a class, read pages 16–19 in Money for Your Life: Invest in Your Financial Future. Brainstorm examples of wants and needs (i.e. a big TV is a want, a working fridge is a need).

Have students find a partner and work collaboratively to determine whether the items indicated on each of their lists are “wants” or “needs.” In the ‘W/N’ column, have students record an N for items they need and a W for items that they want. Have students discuss with their partner why they chose their items and labelled them as such.

Extensions

• Discuss how needs change over time. Have students compare their needs to those of their parents. Ask students to think about how they might see their needs change as they enter high school and university.

Wrap-Up

Some students may not agree about classifying an item as a “want” or a “need”. Discuss with the class how some items can fall into both categories depending on the way in which each item is used.

For example, a student who lives in the country may consider a car to be a need, as they do not have easy access to public transportation in the same way that a student living in the city might. Similarly, a student could classify an iPad as a want, whereas another student who sees an iPad being used as a communication tool by a sibling may categorize it as a need.

Have students, individually, complete Exit Ticket #1.

Assessment

Collect and review Exit Ticket #1 from students.
# My Top 5 Essential Items

<table>
<thead>
<tr>
<th>Top 5 Essential Home Items</th>
<th>W / N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
Exit Ticket #1

Pick one of the items on your “Top 5” list that you consider a “need” and justify why you classified it as such.

____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
LESSON 2
Sources of Income

Curriculum Correlations

Ontario Mathematics
Grade 5-8: Data Management and Probability
Overall Expectations 1 and 2

Common Core
CCSS.MATH.CONTENT.5.MD.B.2

C3 Framework
D2.Eco.1.6-8.

Objectives

Students will:

• Identify sources of income
• Analyze and evaluate various pathways and the long term value of investing in an education
• Organize and interpret data through the use of scatter plots

Setting the Stage

Class discussion: What are the different ways we can earn money? Brainstorm some ideas. Then explain to students that we need an income to pay for our wants and needs.

Hand out the book It Doesn’t Grow on Trees: Sources of Income. Read pages 10 to 19 together.

This chapter speaks to the different ways we can earn money. Ask students to share what type of job they hope to have when they are older (i.e. teacher, doctor, Youtuber, electrician). Discuss what these different pathways involve. Does this job require you to go to University or College? How can you gain experience in your trade?

Materials

• It Doesn't Grow on Trees: Sources of Income - pg. 10-19 (Financial Literacy for Life)

• Career Cards (one card per student - there are 10 career cards provided, and more than one student may have the same career card)

• Scatter Plot Chart
• Scatter Plot
• Scatter Plot Chart Example
• Rulers
• Calculators

Activity

Hand a Career Card, Scatter Plot Chart, and Scatter Plot to each student. Each card has a person, their job, their salary, and their education debt.

In this activity, students will use the numbers on their cards to create scatter plots that show their salary earned over 10 years.

Each card has a base salary and a percentage that shows how much the salary increases each year. Instruct students to calculate their salary increase over 10 years. They need to write the numbers in the “Salary” column of the Scatter Plot Chart. Instruct students to write the salary on the career card in row 1.

• Review an example of how to calculate a percentage increase. If their base salary is $50 000 with an increase of 10%, they will calculate 50 000 X 1.10. 1.10 represents their salary (1.00 = 100%) plus the increase (0.10 = 10%). This will equal 55 000. $55 000 then represents their salary for year 2. They will repeat this each year with the new amount. Use the Scatter Plot Chart Example to help.
When students have completed the “Salary” column, instruct them to complete the “Debt” column. Explain to students that going to college or university can be very expensive. However, it can also help you land a higher paying job.

Students need to divide the full “Education Debt” number from the Career Card over 10 years. In each row, they will write the amount of debt they will repay that year. Remind them that they need a large enough income to pay for their wants and needs, after the debt is paid.

Students can complete this in different ways. Whatever repayment method they choose, the total of the payments must equal the number on the Career Card.

• If their salary has a large increase after 10 years, they may want to make lower payments in the starting years of their career and higher payments in the later stages of their career.
• Lower debt might be paid off in the first year.
• Debt could be divided by 10 and paid off in equal amounts each year.

Next, students will fill in the “Income” column by deducting their debt payment from their salary. Use Scatter Plot Chart Example to show process.

When the Scatter Plot Chart is complete, students can create their scatter plots on the Scatter Plot. They will plot numbers from the “Income” column on the chart, and connect them with a line. Instruct students to choose an appropriate increment for the y axis to increase by.

Extensions

• Have students repeat the activity for the career pathway they hope to follow one day. Have them research the projected salary for their desired job, type of education or degree required for the job, and cost of that education.
• Have students create a formula to calculate the salary increases.
• Have students calculate the compound interests for the debt listed on their career card. For more information on compound interest, refer to page 31 in Money for Your Life: Invest in Your Financial Future. To calculate compound interest, use the formula

\[ A = P \left(1 + \frac{r}{n}\right)^{nt} \]

\( A \) represents the future value of the loan, including interest,
\( P \) represents the principal investment amount,
\( r \) represents the annual interest rate (decimal),
\( n \) represents the number of times that interest is compounded per year, and
\( t \) represents the number of years the money is invested or borrowed for.

Wrap-Up

Have students compare their charts and scatter plots with one another.

Have students discuss how they decided to divide up their education debt amongst the 10 years.

Compare the incomes of students with high education debt to those with no education debt. How do starting salaries compare? How do their salaries at 5 years compare? At 10 years? Ask students to reflect on whether or not they believe the investment in education was worth it.

Remind students to keep their Career Cards, because they will be used in future lessons.

Assessment

Collect completed scatter plots and charts. Assess for completion. The charts will be revisited in the culminating project as students rework their budgets to account for additional expenses.
### Scatter Plot Chart

**Career:** _______________________________

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
<th>Debt</th>
<th>Income (salary - debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Scatter Plot Chart Example

**Constanze • Vet**

- **Salary**: $80,000
- **Annual Salary Increase**: 10%
- **Education Debt**: $90,000

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
<th>Debt</th>
<th>Income (salary - debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$80,000</td>
<td>$9,000</td>
<td>$80,000 - $9,000 = $71,000</td>
</tr>
<tr>
<td>2</td>
<td>$88,000</td>
<td>$9,000</td>
<td>$88,000 - $9,000 = $79,000</td>
</tr>
<tr>
<td>3</td>
<td>$96,800</td>
<td>$9,000</td>
<td>$96,800 - $9,000 = $87,800</td>
</tr>
<tr>
<td>4</td>
<td>$106,480</td>
<td>$9,000</td>
<td>$106,480 - $9,000 = $97,480</td>
</tr>
<tr>
<td>5</td>
<td>$117,128</td>
<td>$9,000</td>
<td>$117,128 - $9,000 = $108,128</td>
</tr>
<tr>
<td>6</td>
<td>$128,840</td>
<td>$9,000</td>
<td>$128,840 - $9,000 = $119,840</td>
</tr>
<tr>
<td>7</td>
<td>$141,724</td>
<td>$9,000</td>
<td>$141,724 - $9,000 = $132,724</td>
</tr>
<tr>
<td>8</td>
<td>$155,897</td>
<td>$9,000</td>
<td>$155,897 - $9,000 = $146,897</td>
</tr>
<tr>
<td>9</td>
<td>$171,487</td>
<td>$9,000</td>
<td>$171,487 - $9,000 = $162,487</td>
</tr>
<tr>
<td>10</td>
<td>$188,635</td>
<td>$9,000</td>
<td>$188,635 - $9,000 = $179,635</td>
</tr>
</tbody>
</table>

### Career Cards

**Lily • Doctor**

- **Salary**: $180,000
- **Annual Salary Increase**: 10%
- **Education Debt**: $160,000

**Matthias • Factory Worker**

- **Salary**: $28,000
- **Annual Salary Increase**: 2%
- **Education Debt**: $0
Gavin • **Chef**

Salary
$25,000

Annual Salary Increase
10%

Education Debt
$2,000

Mae-Ling • **Cashier**

Salary
$25,000

Annual Salary Increase
1%

Education Debt
$0

Arielle • **Teacher**

Salary
$50,000

Annual Salary Increase
5%

Education Debt
$20,000

Jack • **Electrician**

Salary
$40,000

Annual Salary Increase
10%

Education Debt
$7,000

Von • **Software Engineer**

Salary
$60,000

Annual Salary Increase
10%

Education Debt
$20,000

Jaslene • **Hairdresser**

Salary
$30,000

Annual Salary Increase
3%

Education Debt
$2,000

Karina • **Radio Host**

Salary
$25,000

Annual Salary Increase
10%

Education Debt
$2,000

Armaan • **HVAC Specialist**

Salary
$25,000

Annual Salary Increase
10%

Education Debt
$2,000
LESSON 3
Budgeting for a House

Objectives

Students will:
• Apply and extend understanding of interest
• Analyze data in a real world context and use data to make an informed choice

Curriculum Correlations

Ontario Mathematics
Grade 8: Mathematics: Number Sense and Numeration: solve problems involving percent that arise from real-life contexts

Common Core
CCSS.MATH.CONTENT.6.EE.B.6

C3 Framework
D2.Eco.1.6-8.

Materials

• Money for Your Life: Invest in Your Financial Future - pg. 30-31 (Financial Literacy for Life)

• Family Cards (one card per student - there are 6 family cards provided, and more than one student may have the same family card)

• Housing Cards (one card per student - there are 6 housing cards provided, and more than one student may have the same housing card)

• Career Cards from previous lesson

• Calculators

• Exit Ticket #2

Setting the Stage

Ask students to brainstorm how much they think a house costs.
Share some examples of prices of local houses for sale. Ask students how they think adults can afford these prices.
• Do they have all that money in their bank account to up front?
• If not, where are they getting the money?

In the previous lesson students were given a Career Card. In this lesson students will have to choose, based on the salary on their career card, which house they can afford to buy.

Ask students if they’ve ever heard of the terms “loan” or “interest.” Share definitions.
• A loan is defined as “something that is borrowed, especially money, that is expected to be paid back, usually with interest.”
• Interest is defined as “a fee paid to borrow someone else’s money.”

Explain that houses are usually purchased with a loan. You go to the bank and apply for a loan. Based on various factors, you will either get approved or declined to borrow the money.

The bank will also set an interest rate for your loan.
• Interest rate is “a portion of an amount owed, usually expressed as a percentage, that determines how much interest is added to the original amount.”

As a class, read pages 30 and 31 in Money for Your Life: Invest in Your Financial Future to further explore the topic of interest.

After observing the charts on pages 30 and 31, ask students to reflect on their choices for repayment method of their education debt in the previous activity. Ask students why it is to their advantage to pay off the education debt as quickly as possible rather than taking the full 10 year term.
**Activity**

**Interest on Your House**

Hand out a Family Card to each student. This will represent the number of people living with them. Keeping this and their salary in mind, they will use the Housing Sheet to choose a house to “buy.”

To help students better understand the true cost of the house, have them calculate the interest owed and factor this into the price.

For younger students, have them calculate the interest paid in the first year using simple interest (i.e. if the interest rate is 5%, multiply the cost of the house by 0.05).

For older students, have them calculate compound interest over 10 years of ownership. See “extensions” for more information on calculating compound interest.

**Extensions**

- Have students research real houses in their area and calculate the simple or compound interest costs based on the listed price of the house chosen.
- Have students calculate compound interest rather than simple interest. To calculate compound interest, use the formula

  \[ A = P \left(1 + \frac{r}{n}\right)^{nt} \]

  where

  - \( A \) represents the future value of the loan, including interest,
  - \( P \) represents the principal investment amount,
  - \( r \) represents the annual interest rate (decimal),
  - \( n \) represents the number of times that interest is compounded per year, and
  - \( t \) represents the number of years the money is invested or borrowed for.

**Wrap-Up**

Have students complete Exit Ticket #2.

Have students share how they made their housing choices.

Ask students if the house they chose would still be their first choice if they had a higher salary.

Ask students how including interest in the price affected their choice.

**Assessment**

Collect Exit Ticket #2.
### Family Cards

**Number of people living with you: 2**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse</td>
<td>$50,000</td>
</tr>
<tr>
<td>Daughter</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Number of people living with you: 4**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grandpa</td>
<td>$0</td>
</tr>
<tr>
<td>Spouse</td>
<td>$20,000</td>
</tr>
<tr>
<td>Son</td>
<td>$0</td>
</tr>
<tr>
<td>Daughter</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Number of people living with you: 5**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Son 1</td>
<td>$0</td>
</tr>
<tr>
<td>Son 2</td>
<td>$0</td>
</tr>
<tr>
<td>Son 3</td>
<td>$0</td>
</tr>
<tr>
<td>Daughter 1</td>
<td>$0</td>
</tr>
<tr>
<td>Daughter 2</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Number of people living with you: 4**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grandpa</td>
<td>$10,000</td>
</tr>
<tr>
<td>Grandma</td>
<td>$10,000</td>
</tr>
<tr>
<td>Spouse</td>
<td>$70,000</td>
</tr>
<tr>
<td>Son</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Number of people living with you: 2**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daughter</td>
<td>$0</td>
</tr>
<tr>
<td>Son</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Number of people living with you: 1**

<table>
<thead>
<tr>
<th>Who</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>Price</td>
</tr>
<tr>
<td>----------------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Town House</strong></td>
<td>$400,000</td>
</tr>
<tr>
<td><strong>Condo</strong></td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>Beach Side Home</strong></td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>Suburban Home</strong></td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Large Family Home</strong></td>
<td>$900,000</td>
</tr>
<tr>
<td><strong>Duplex</strong></td>
<td>$600,000</td>
</tr>
</tbody>
</table>
Exit Ticket #2

1. Add together your base salary with the salary of the other members of your household. _____________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

2. Pick your top 2 house choices and calculate the interest you will pay in the first year. _______________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

3. Does this house have enough bedrooms for all your family members? If not, how many people have to share rooms? ________________
________________________________________________________________________________________
________________________________________________________________________________________
________________________________________________________________________________________
LESSON 4
Budgeting for Groceries

Curriculum Correlations

Ontario Curriculum
Grade 5 Mathematics – Number Sense and Numeration
• round decimal numbers to the nearest tenth, in problems arising from real-life situations
• add and subtract decimal numbers to hundredths, including money amounts, using concrete materials, estimation, and algorithms

Grade 6 Mathematics - Number Sense and Numeration
• demonstrate an understanding of the relationship between estimated and precise measurements, and determine and justify when each kind is appropriate

Common Core
CCSS.Math.Content.5.OA.A.2
CCSS.Math.Content.6.NS.B.3

C3 Framework
D2.Eco.1.3-5.
D2.Eco.1.6-8.
D2.Eco.5.3-5.

Setting the Stage

Divide your class into groups of 3-4 students and provide each group with a small white board and dry-erase marker.

Bring in a variety of different grocery items that can be used for the activity. Keep these items hidden at the front of the room in a box or a bag so they cannot be seen until the activity begins. Record the price of each item on your own sheet of paper.

• Some examples could include a box of crackers, a package of juice boxes, a bag of oranges, a candy bar, etc.
• You may also want to include some items where the price could be surprising to students (i.e. laundry pods where a small package is more expensive).

Showcase the first item to the class, and have each group predict the price of the item and write their guess on the white board. When all groups have recorded their response, have them hold up their boards. The group that guesses a price closest to the actual price without going over gets a point. Once you have showcased all items, tally up the points and congratulate the class on a job well done!

This activity provides students with the opportunity to gain a better understanding of the price of some grocery store items that they may be familiar with in their own homes.

Prompt students to read pg. 20 - 28 of The Bottom Line: Money Basics before beginning the activity portion of the lesson.

Materials

• The Bottom Line: Money Basics textbook - pg. 20-28 (Financial Literacy for Life)
• Small dry-erase boards & markers
  (1 of each for every group of 3-4 students)
• Grocery items for showcase (5-6 items)
• Grocery store flyers (as current as possible)
• Family Cards from previous lesson
• ______’s Grocery List Handout
  (2 per student - 1 to practice, 1 final)
• Family Shopping List (1 per student)

Objectives

Students will:
• Estimate the cost associated with everyday household items
• Understand the value and importance of budgeting their spending
• Create a shopping list that fits within budget constraints
• Recognize the importance of conscientious spending
**Activity**

Explain to students that for this lesson, they are responsible for coming up with a grocery shopping list for one week’s worth of groceries for themselves. Remind students to think about what was read in the textbook in relation to impulse buys and needs vs. wants when choosing the food they will shop for.

On the ___’s Grocery List Handout, have students make a list of the groceries that they would purchase. Tell students that they have a budget of $50.00 for the week.

Once students have made their list, provide them with store flyers to price out the items they hope to purchase. Students could also look online to price out their items. If they come below budget, have students record the extra money that they have saved. If they are over budget, have them rework their list (with an awareness of needs and wants), and make changes as needed until they come in under budget on a second Grocery List Handout.

Have students extend by creating a family shopping list using the Family Card they were given in the previous lesson. They must create a list that will feed all members of their family and use the Family Shopping List sheet to add the price. Multiply this weekly cost to determine your monthly grocery budget as a family. Be sure to keep the budget affordable!

**Extensions**

- Have students create their shopping list using only healthy food items (following the Food Guide). Students could also research healthy recipes to determine the quantity of certain groceries needed. Students could then compare the costs of a health-conscious shopping list versus regular shopping list - are healthier options more expensive?
- Students can work independently on shopping lists instead of in groups.

**Wrap-Up**

As a class, discuss the items planned for purchase. Ask the following questions of the group:

1. Did the prices of the different grocery items surprise you?
2. Is $50 a realistic grocery budget for one person? Why or why not?
3. When creating a list for your family card, what were your total expenses? How do the types of items you are able to purchase change when your budget does?
4. How does an awareness of grocery store sales benefit budgeting?

**Assessment**

Collect shopping lists to ensure completion and that all students were able to stay within their $50 spending budget for the first task. Review family shopping lists to ensure the budget is correctly added and is realistic.
Name: _____________________________________________  Date: ____________________

_________________________' s Grocery List

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
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TOTAL: ______________________

$50.00 (budget) - ________________ (total) = ________________ (money remaining)
Family Shopping List

There are _____ people in my family. There are _____ adults and _____ children.

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
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TOTAL: ______________________
LESSON 5
Budgeting for Transportation

Curriculum Correlations

Ontario
Grade 5 Mathematics – Number Sense and Numeration
- round decimal numbers to the nearest tenth, in problems arising from real-life situations
- add and subtract decimal numbers to hundredths, including money amounts, using concrete materials, estimation, and algorithms
Grade 8: Mathematics: Number Sense and Numeration: solve problems involving percent that arise from real-life contexts

Common Core
CCSS.Math.Content.5.OA.A.1
CCSS.Math.Content.5.OA.A.2
CCSS.Math.Content.6.EE.B.6

C3 Framework
D2.Eco.1.3-5
D2.Eco.1.6-8

Materials
- Transportation Distance Cards (one card per student - there are 8 transportation distance cards provided, and more than one student may have the same card)
- Box to store Transportation Distance card
- Personal electronic or computer/tablet access for research purposes
- Transportation Methods Worksheet (1 copy per student)
- Whiteboard or chart paper and markers

Setting the Stage
Ask students to brainstorm the different modes of transportation they use on a daily basis. Once students have had time to think about this independently, begin a class discussion about transportation methods. As students share their answers, create a mind map that can be displayed throughout the duration of the activity (can be projected or written on the white board/chart paper).

Objectives
Students will:
- Calculate distance travelled per day
- Identify reasonable transportation methods based on budget and distance
- Discuss and justify transportation choices
**Activity**

Have each student pull a Transportation Distance Card out of the box. Have them place their card face-down on their desk until every student has their card. Once everyone has chosen, have students flip over their card. This represents their travel distance to and from work each day.

Have students calculate the total distance travelled per day (distance x 2), and the total distance travelled per week (distance x 10). They should fill in their calculations on the *Transportation Methods Worksheet*.

Students must use the devices to research methods of transportation that could get them from Point A to Point B as identified on their card.

Remind students to be conscious of their salary, family, and housing cards. They will need to ensure their transportation methods are financially feasible and are capable of getting them the distance noted. Have students come up with two reasonable transportation options. They should add them to the *Transportation Methods Worksheet* and identify the cost per month and per year.

**Extensions**

Have students take their monthly budget and apply it as a yearly budget (and students must be conscious of climate restraints). For example, if they chose a bicycle as their means of transportation, they won’t be able to continue with this method during the winter months. What combination of transportation methods would they employ?

**Wrap-Up**

Have students connect with the other students in the class with the same travel distance they had.

1. Did you have similar transportation options? Why or why not?
2. How did your other expenses impact your transportation options?

**Assessment**

Have students submit their worksheet to verify completion and to ensure that reasonable transportation methods have been selected. Also assess calculations to ensure accuracy.
Transportation Distance Cards
*Indicate kilometers (KM) or miles (M) after Distance

Point A — Point B

30 ______

15 ______

21 ______

14 ______

6 ______

17 ______

11 ______

13 ______
Transportation Methods

1. What is the distance travelled per day?_______________
2. What is the distance travelled per week?_______________

<table>
<thead>
<tr>
<th>Transportation Option A</th>
<th>Transportation Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per month:</td>
<td>Cost per month:</td>
</tr>
<tr>
<td>Cost per year:</td>
<td>Cost per year:</td>
</tr>
</tbody>
</table>
LESSON 6
Savings and Budgeting

Curriculum Correlations

Ontario
Grade 5-8: Data Management and Probability: collect and organize categorical, discrete, or continuous primary data and secondary data and display the data using charts and graphs, including relative frequency tables and circle graphs.

Common Core
CCSS.ELA-LITERACY.RI.5.9
Integrate information from several texts on the same topic in order to write or speak about the subject knowledgeably.

C3 Framework
D2.Eco.1.3-5. Compare the benefits and costs of individual choices.

Setting the Stage

As a class, reflect on previous lessons related to budgets and budget planning. Ask students some (or all) of the following questions:

- Which budgeting activity did you find most challenging and why?
- Were you surprised about the cost of items that you use everyday in your life?
- Do any of these activities change the way you prioritize needs and wants?
- Did your salary have a significant impact on your spending habits?
- Should you spend all the money you earn each month?

As a class, read p. 25 to 29 of Getting your Money’s Worth: Making Smart Financial Choices to refresh students about shopping smarts before they create a budget portfolio.

To create a budget portfolio, students will compile all work from the unit to review their budget in each area.

Instruct students to create a chart outlining how much of their monthly salary they are spending in each area (debt, housing, groceries, transportation) and total their expenses.

As a class, reflect on previous lessons related to budgets and budget planning. Ask students some (or all) of the following questions:

- Which budgeting activity did you find most challenging and why?
- Were you surprised about the cost of items that you use everyday in your life?
- Do any of these activities change the way you prioritize needs and wants?
- Did your salary have a significant impact on your spending habits?
- Should you spend all the money you earn each month?

As a class, read p. 25 to 29 of Getting your Money’s Worth: Making Smart Financial Choices to refresh students about shopping smarts before they create a budget portfolio.

To create a budget portfolio, students will compile all work from the unit to review their budget in each area.

Instruct students to create a chart outlining how much of their monthly salary they are spending in each area (debt, housing, groceries, transportation) and total their expenses.

Then, students subtract the total of their expenses from their income. This amount will represent their savings.

Have students compare their income, expenses, and savings with an elbow partner.

Materials

- Work completed during previous lessons
- Materials for students to create portfolio, such as poster board, markers, folders, paper, and devices
- Emergency Expense Cards (1 per student. There are 6 cards. Some students will receive the same card.)
- Budget Portfolio Worksheet
- Culminating Assessment Rubric
- Getting your Money’s Worth - Making Smart Financial Choices - pg. 25-29 (Financial Literacy for Life)

Objectives

Students will:
- Consolidate their learning in creating and presenting a budget portfolio
- Apply understanding of interest, cost of borrowing, sources of income, budgeting, debt, and savings
For the culminating assignment, students will revise their budget to account for an emergency expense. Accounting for an emergency expense will help students better understand the importance of saving money as well as further conceptualize the impacts of budgeting. Students will then present their final budget portfolio to the class.

Hand each student the Budget Portfolio Worksheet and an Emergency Expense Card. Explain that their “savings” must be enough to cover payments for this expense.

Each Emergency Expense Card has on it an amount owed, a maximum time for repayment, and an interest rate. The repayment time is how long they have to repay the amount owed. The interest rate represents the amount they will owe for borrowing the money.

- Students were first introduced to the concept of interest in lesson 3. Review interest and highlight that students will also owe the “cost of borrowing” when repaying the emergency expense.
- To calculate the cost of borrowing, students will multiply the amount owed by the interest rate (i.e. if they owe $1,000 and the interest rate is 5%, multiply these numbers for the cost of borrowing. $1,000 \times 0.05 = 50$. Therefore, the cost of borrowing is $50$). Students must include this cost of borrowing in their budget.

Hand out the Budget Portfolio Worksheet and instruct students to follow the steps to create their portfolio. Review with students the expectations for the project. As a class, co-create learning goals and success criteria. Answer any questions students may have about the assignment.

Students could be asked to research and integrate additional expenses (i.e. phone, clothing, child care, cable).

Interest for the Emergency Expense Card could be calculated as compound interest or simple interest.

Students can research careers, housing options, and transportation choices (and associated costs and incomes) based on their interest and career aspirations.

Students choose a “want” from lesson 1 and calculate the associated cost in their budget.

Students will present their budget portfolios to the class to conclude the financial literacy unit. Prompt students to ask questions about their peers’ budgets.

Assess culminating assignments using Culminating Assessment Rubric.
Emergency Expense Cards
*cut cards and give each student one

**You were in a car accident!**
Amount Owed $7,000
Interest Rate 3%
Maximum Repayment Time 6 months

**It's a girl!**
**But, babies are expensive!**
Amount Owed $5,000
Interest Rate 1%
Maximum Repayment Time 3 months

**You need emergency surgery.**
Amount Owed $10,000
Interest Rate 5%
Maximum Repayment Time 6 months

**Your roof was damaged in a storm and needs to be repaired.**
Amount Owed $2,000
Interest Rate 4%
Maximum Repayment Time 2 months

**You lost your phone and must purchase a new one.**
Amount Owed $1,000
Interest Rate 5%
Maximum Repayment Time 2 months

**You’re getting married!**
**But, weddings are expensive.**
Amount Owed $20,000
Interest Rate 6%
Maximum Repayment Time 12 months

You were in a car accident! It’s a girl! But, babies are expensive! You need emergency surgery. Your roof was damaged in a storm and needs to be repaired. You lost your phone and must purchase a new one. You’re getting married! But, weddings are expensive.
Budget Portfolio

For this assignment you will create a budget portfolio outlining your spending in the following areas:

- Income
- Debt
- Housing
- Groceries
- Transportation
- Savings

Choose an Emergency Expense Card. The savings in your budget will have to account for this expense (as well as the cost of borrowing for the emergency expense).

Follow the steps below to ensure your final portfolio contains all necessary information.

1. Calculate your income: add together your income (using your base salary) with the income of any other family members in your house to calculate your total household income.

<table>
<thead>
<tr>
<th>Your Income (Base Salary)</th>
<th>Family Member #1's Income</th>
<th>Family Member #2's Income</th>
<th>Family Member #3 Income</th>
<th>Total Household Income</th>
</tr>
</thead>
</table>

2. Calculate your budget: keep in mind these should represent your MONTHLY expenses. If you calculated groceries as a weekly expense, multiply it by 4 to represent the monthly cost.

<table>
<thead>
<tr>
<th>Monthly Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Debt</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Groceries</td>
</tr>
</tbody>
</table>

Subtract the expenses above from your household income. How much is left for Savings?
3. Calculate the cost of borrowing for your emergency expense card. Remember, the cost of borrowing is the amount owed multiplied by the interest rate. This represents how much the bank is charging you in exchange for lending you money.

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

4. Deduct your total expenses from your total household income. Based on this amount, decide how many months it will take you to repay the amount owed on your emergency expense card. Keep in mind you will also owe the cost of borrowing for each month.

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

5. Revise your total expenses to include your emergency expense (total amount owed divided by the number of months you decided to repay it within = the monthly expense) and cost of borrowing.

<table>
<thead>
<tr>
<th>Monthly Expense</th>
</tr>
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<tbody>
<tr>
<td>Education Debt</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Emergency Expense</td>
</tr>
<tr>
<td>Cost of Borrowing</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
</tr>
</tbody>
</table>
Budget Portfolio

6. Deduct your total expenses from your total household income to calculate your savings

____________________________________________________________________________
____________________________________________________________________________
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7. Create a pie chart to represent what percentage of your salary you are spending in each area.

8. Compile and organize all information on this worksheet neatly into a portfolio. You may choose to do so in the form of a report, poster, or any other format approved by the teacher.
### Culminating Assignment Rubric

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge and Understanding</strong></td>
<td>Student demonstrates little understanding of financial literacy concepts and struggles to grasp the concept of budgeting.</td>
<td>Student demonstrates some understanding of financial literacy concepts and is beginning to grasp the concept of budgeting.</td>
<td>Student demonstrates a good understanding of financial literacy concepts and seems to have mostly grasped the concept of budgeting.</td>
<td>Student demonstrates a thorough understanding of financial literacy concepts and seems to have grasped the concept of budgeting.</td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>Student did not calculate cost of borrowing.</td>
<td>Student accounted for interest in their budget by attempting to calculate the cost of borrowing with some errors.</td>
<td>Student accounts for interest by correctly calculating the cost of borrowing.</td>
<td>Student is able apply their knowledge of interest by both calculating cost of borrowing and accounting for such cost in their budget.</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td>Portfolio is disorganized and difficult to follow.</td>
<td>Portfolio is somewhat organized and easy to follow.</td>
<td>Portfolio is well organized and easy to follow.</td>
<td>Portfolio is extremely well organized and easy to follow.</td>
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### Oral Presentation

<table>
<thead>
<tr>
<th>Communication</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
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</thead>
<tbody>
<tr>
<td><strong>Student mumbles, incorrectly pronounces terms, and speaks too quietly for a majority of students to hear.</strong></td>
<td>Student's voice is low. Student incorrectly pronounces terms. Audience members have difficulty hearing presentation.</td>
<td>Student's voice is clear. Student pronounces most words correctly. Most audience members can hear presentation.</td>
<td>Student uses a clear voice and correct, precise pronunciation of terms. All audience members can hear presentation.</td>
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</tr>
<tr>
<td><strong>Thinking</strong></td>
<td>Student is unable to answer audience questions</td>
<td>Student is able to answer some audience questions</td>
<td>Student is able to answer most audience questions.</td>
<td>Student is able to answer all audience questions</td>
</tr>
</tbody>
</table>

Feedback:

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