Wondering Which Is Home  
One World Ambassador: Melissa Linsao  
**Learning Activity #2: Financial Planning and Budgeting**

**Focus Area:** Algebra I and Financial Literacy

**Standards Addressed:**
- DCPS A1.P.14 Solve everyday problems that can be modeled using linear functions.
- DCPS A1.P.14 Apply appropriate tabular, graphical, or symbolic methods to the solution.

**Grades:** 9th - 12th

**Duration:** 90-minute class period, 1-2 days depending on daily schedule

**Objectives: (LW-Learner Will)**
- LW develop a sample budget that will demonstrate the money one would need to live on his or her own.
- LW apply his or her knowledge of linear equations, independent and dependent variables, and trend lines to a real-world scenario.

**Preparation:** Arrange the classroom to facilitate discussion. Make copies of the following handouts: *Wondering Which is Home Reflection*, *Creating a Budget*, *Cell Phones – Linear Equations Activity*.

**Reflection Prompt:** Melissa writes, "If we want something to eat or need to buy something we just go to the store and buy it."

**Procedure:**
Step 1: Getting Started – Have students read Melissa’s Reflection, individually or together as a class. Then, discuss the Reflection prompt – is her statement realistic for most people living independently?

Step 2: Why Budget? – As you conclude your discussion about the Reflection prompt, introduce the concept of budgeting to your students. Do any of them have a budget? Ask students why it is important to budget. Answers may include:
- To see how much money you will have to spend
- To make choices about what to buy or what to do based on how much money you have
- To see how much money you need for something you want
- To avoid spending more money than you have
Step 3: Prepare a Personal Budget – Distribute the Creating a Budget handout to students and explain your expectations. Students may work in small groups or individually to prepare the budget. When students have finished working, have a discussion to review their budgets. Be sure to ask students if they were surprised at how much it costs to live independently and whether they thought they would be able to keep within a budget.

Step 4: Apply the Skills – Have students apply their new understanding of budgeting to a specific expense that is important to many teenagers – cell phones. Distribute the Cell Phones Linear Equations Activity and answer any questions they may have. Then, allow students time to work. **Note:** This may be given for homework, particularly if it is review. When the students have finished, discuss their answers for Part V: Think About It! as a class.

**Checking For Understanding:** There are opportunities for both formative and summative assessment throughout this learning activity. Students demonstrate understanding by participating in class discussions (Steps 1-4), successfully completing a budget, and working successfully through the Linear Equation Activity.

**Global Action Activities:**
1. Help raise money for a charity. An important part of learning to use money wisely is learning that many people in the community and around the world have less money than your students, no matter what your students’ situation. Help students to research and select a charity or charitable event, and then raise money to benefit that charity. They can develop a budget and estimate how much money they will earn through their fundraising (and, in the case of an activity that requires raw materials, such as a car wash) how much they must spend first.
2. Organize a Cell Phone Drive at your school. Verizon Wireless is one example of a company that uses the proceeds from the sale of donated phones to provide cell phones and wireless minutes to victims of domestic violence, in addition to recycling batteries to minimize the environmental impact cell phone use. For more information on HopeLine Phone Recycling Program, visit this website: aboutus.vzw.com/communityservice/hopeLineRecycling.html.
Extension Activities:

1. Help budget for a school activity or review the budget for a completed activity. Have your students research the cost of items to set a budget for a planned school activity, such as a field trip, a play, or a dance. What does it cost to rent a school bus for a field trip? How much would it cost to hire a DJ for a school dance? Students could then present their findings to the administration or student council.

2. Have a guidance counselor, or financial professional talk with students (and their parents or guardians) about the importance of budgeting their money. Budgeting for a freshman in high school is likely to seem somewhat irrelevant – at least for the moment. Invite an expert to explain more about why developing good habits about money are important.

3. Research the “Housing Wage” in Washington DC. Hopefully the budgeting exercise in this lesson showed students how very expensive it is to live on their own. What happens when people don’t make enough money to rent an apartment or buy food? Learn what it costs to live in Washington DC by researching the “housing wage,” or the wage needed to afford an apartment and other basic living expenses. You can learn more from the National Low Income Housing Coalition and its annual “Out of Reach” reports at http://www.nlihc.org/oor/oor2009/.

Related Resources:

- Creating a Budget
- Cell Phone Linear Equations Activity
- Melissa’s Reflection: Wondering Which Is Home
- Unit Resource 1: Previewing the Experience
- Unit Resource 2: Understanding the Experience
- Unit Resource 3: Reviewing the Experience
- Unit Resource 4: Culture Cube
- Unit Resource 5: Reflection Response