

Upper Intermediate – Making A Budget And Sticking To It

Aim: To make students aware of how making a budget helps them manage their money and make decisions about how they spend it.

Lead-in: Write the following on the board:

MONEY

Elicit from students a list of the things they regularly spend money on and what they need money for. Write all the ideas on the board (e.g., *clothes, going out, hobbies, sports, travel, cinema, etc.*).

Be sensitive to students' different economic circumstances. Emphasise that you're not asking how much money they spend or get as an allowance from their parents, for example. Be clear you're asking for ideas about where students' money goes.

Ask students how many of them actually do a budget for their money. If not, why not? For those students who don't do a budget, ask how easy or difficult it is to know how much they've got. Ask students to work in pairs and answer the following questions:

- *Do you know how much you spend each week or each month?*
- *How can you track your spending?*
- *What percentage of your income do you think you should spend and how much should you save?*
- *If you need to spend less, how do you do that?*

Choose A Scenario: Ask students to work in pairs and choose one of the three scenarios (A–C). Copy the following table onto the board and elicit from students what each heading means:

Income	Fixed expenses	Variable expenses	Savings
Total:	Total:	Total:	Total:

Ask students to read their scenario and enter the income and expenses into their table. Students then calculate how long it will take the person in

their scenario to save for the thing they want to pay for. Write on the board:

- *How can the person cut his/her costs?*
- *How can the person increase his/her income?*

Ask students to think about ways in which the person can adjust their income or expenses in order to save more and reach their goal quicker. Ask students to say what they would do in the scenario. Are they the same? Encourage students to look at the Reflection Point while they are working.

Reflection Point: Explain to students that it's important to be careful with money. Making a budget allows you to track your spending and prioritise your needs. It will help you make decisions about how much to spend, how much you need to earn, and how much to save. When students leave home, they will need to manage their finances independently and learning to budget is a good preparation for this.

Class discussion: Ask each pair to work with another pair who chose the same scenario. Ask students to compare the calculations in their table and check they are correct. Ask them to compare the ideas they had for how the person could adjust their income or expenses in order to save more. Did they increase their income, reduce expenses, or both? Did they have the same ideas? Which decisions do they think are the best?

Ask students what challenges the person in their scenario might have faced while saving money to pay for something. Is it easy to spend money? Is it easy to save money? Why (not)? Ask the following questions to discuss as a class:

- *Is it a good idea to save money? Why (not)?*
- *How might someone be able to spend more money than they have? What would the consequences be?*
- *How important is money to you?*

Work alone: Ask students to work alone, choose a second scenario (A–C), and follow the same steps as in section 2. Ask them to copy the table again to use for their new scenario. Once they have finished, invite volunteers to present their scenarios and their ideas about how the person can adjust their finances to the class.

Extension Write the following questions on the board:

- What is the difference between *need* and *want*?
- How much do you spend on things you actually need?
- Is it easy to understand the difference between what you *need* and what you *want*?

Ask students to work in small groups and brainstorm their own ways of cutting their own costs and saving money. Ask them to write a list of top 10 tips.