**Week 25– Large Purchase Budgeting**

**Curriculum Expectations**   
 **Mathematics:** create a financial plan to reach a long-term financial goal, accounting for income, expenses, and tax implications   
**SEL:** Make connections between math and everyday contexts to help them make informed judgements and decisions

**Grade:** Grade 9

**Unit:** Financial Literacy

**Activity**1) Your task for this activity is to budget out the purchase of a large purchase that you will be saving towards in the future.   
2) To start, you will research a large purchase that you would like to make in the future. This could be something as big as a house, or a car, or something smaller like a vacation or college tuition. The choice is yours! Depending on the purchase, you will need to pick an average price and write that in the sheet below. If you do not have any ideas, assume that you are saving for one year of college tuition at $8,000  
3) After that, you will budget out your weekly income. If you do not have a job right now, assume you are working for minimum wage ($14/hour) at 10 hours/week  
4) Now you will fill out the chart below, with expected monthly expenses, and how much you will be able to save towards your goal per month. It is important to be realistic with your expenses. You will then figure out how long you may need to save for and if this timeline needs to be adjusted, and if so, how would you be able to adjust your monthly expenses to save more

**Check for Understanding**   
I can create a financial plan to reach long term goals  
I can display my findings in a chart  
I understand the importance of mathematics in my daily life

**Materials**   
Recording sheet attached below, pencil, internet access

|  |  |  |
| --- | --- | --- |
| Average monthly income (weekly income \* 4) = | | |
| **Expense** | **Expense amount** | **Adjusted expenses** |
| **Monthly phone plan** |  |  |
| **Average food costs** |  |  |
| **Entertainment** |  |  |
| **Clothing** |  |  |
|  |  |  |
|  |  |  |
| **Amount left to save towards your goal** |  |  |

**Long-term budgeting**

|  |  |  |
| --- | --- | --- |
| **Total cost of large purchase** | **Amount saved monthly towards purchase** | **Total number of months to save for purchase** |
|  |  |  |

Is that a reasonable amount of time to save for your purchase? Why or why not?

If not, how might you be able to adjust your finances to make your purchase in a reasonable time? (work extra hours, spend less money in other areas etc.) Make your changes above.