



Lesson One

Pocket Money and Spending Plans

pocket money and spending plans websites



websites for pocket money and spending plans

The internet is probably the most extensive and dynamic source of information in our society. The following web sites can provide students and others with current information, assistance, and data related to this lesson. Web addresses ending in “.com.au” are commercial; “.org.au” are nonprofit; and “.gov.au” are government.

MoneySmart

moneysmart.gov.au

My Child

mychild.gov.au

pocket money and spending plans lesson outline

overview

Children in years three to six are capable of managing small amounts of money. They can divide their money into several categories, including "spend," "save," and "give." At the same time, they can spend their money and keep a record of what was spent.

This lesson provides an introduction to allowances for years three to six. Pocket money is the first step to understanding written spending plans or budgets. With guidance managing pocket money in childhood, children can become financially responsible adults. Adults with effective budget skills create healthier family relationships and contribute to building a stronger economy.

Teachers and parents can encourage children to keep track of the money that they spend for their needs and wants.

goals

Provide practice developing effective spending plans and following where money goes.

lesson objectives

- Recognise how to divide an pocket money into a spending plan.
- Learn how to balance income and expenses.
- Gain confidence in preparing spending plans.

student activities

1-1 Pocket Money Allocation Game

Related Worksheet: pocket money allocation

- Play a simulation game to help students practice making choices about where to place pocket money.

1-2 Reading

- Read about pocket money and spending money to help students learn more.

1-3 Spending Diary

Related Worksheet: spending diary

- Use a diary technique to help students track how they spend their money.

1-4 Make A Spending Plan

Related Worksheet: spending plans

- Assist students in making a sample spending plan during maths.

1-5 Lesson One Quiz

pocket money and spending plans teaching notes

pocket money allocation

This activity helps students learn that money is a limited resource.

- Give each student a set of expenditure cards and 15 beans (or similar small objects).
- Explain that the beans represent their pocket money (income).
- Ask the students to allocate their pocket money to the expenditure categories on the cards by placing beans on squares.
- There are more squares than beans, so students must make choices of where to spend their pocket money.
- Each card offers different amounts of spending choices. This helps students consider alternatives within each spending category.
- Discuss the choices they made.
- Optional: After students have allocated their pocket money, take away four beans.
- This represents loss of income.
- It forces students to further refine their spending choices.



discussion



student activity 1-1

reading

Reading skills can be practiced through this activity while students are learning about pocket money and spending plans.

- Provide books that focus on pocket money and spending for the students to read.
- Borrow books from the school or public library.



discussion/reading

spending diary

This activity helps students track how they spend their money.

- Ask students to keep a spending diary for one week.
- Give each student a diary form.
- After one week, use class time to look at expenses.
- Group similar expenses together.
- Decide on names for expense categories (for example: food, transportation, clothes, entertainment).



student activity 1-2

pocket money and spending plans teaching notes

spending plans

Students focus on their own spending patterns and integrate them into a written plan.

- Use the information from the spending diary in Activity 1-3.
- Ask each student to add up the amount spent in each category.
- Ask students to compare their income (pocket money) to outgoings (expenses).
- Subtract outgoings from income.
- Is the answer positive or negative?
- What adjustments need to be made to keep the net balance positive?
- Discuss decreasing expenses or increasing income.
- Now ask students to put 10 percent of their income into a savings category and 10 percent into donations.
- Students will need to reallocate their expense plans.
- Discuss making changes in pocket money as needs change.
- Give each student a spending plan form to put a personal spending plan in writing.
- Ask students to keep track of their spending for a month.
- Encourage them to continue working with a spending plan.
- Remind students that no two spending plans are exactly the same.



student activity 1-3

lesson one quiz



quiz 1-4



lesson 1 quiz: spending plans

circle the correct answer for each question.

1. Spending plans are decisions about how you spend your pocket money.
True *
False
2. A written spending plan is the best way to manage pocket money.
True *
False
3. Spending plans should be discussed with parents.
True *
False
4. Everyone has the same spending plan.
True
False *
5. My spending plan must remain the same for an entire year.
True
False *
6. Giving to a church or charity can be part of my spending plan.
True
False *
7. Changes can be made in my written spending plan:
 - a. Only once a week
 - b. Only once a month
 - c. Only every six months
 - d. As my needs change *
8. Saving provides money for:
 - a. Emergency expenses
 - b. Unplanned expenses next year
 - c. Expenses in five years
 - d. All of the above *
9. A spending plan can be made by:
 - a. Keeping a diary of expenses *
 - b. Asking a friend to make it for you
 - c. Deciding what to purchase when you go to the store
 - d. Checking how much money is in your pocket
10. Which of the following is NOT a spending plan category:
 - a. Transportation
 - b. Entertainment
 - c. Sweets *
 - d. Clothing