Money Mastery: Your Path to Financial Freedom

Lesson Overview

In this lesson, Vilisi will transform from a consumer into a money manager. Through interactive scenarios and practical application, learners will discover that a budget isn't a restriction on spending, but a plan for freedom.

Materials Needed

- Printed or digital "Monthly Expense Cards" (provided in activity)
- Blank Budget Worksheet (or a simple spreadsheet)
- Play money, beads, or 20 small tokens (representing units of currency)
- Writing utensils and a calculator
- A "Dream Item" image or description (something the student wants to buy)

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1. Introduction: The $1,000 Challenge (Hook)

The Scenario: Imagine you just won $1,000 in a local creative competition! You have the cash in your hand right now. What are the first three things you do with it?

Discussion: Most people think about what they can *buy* immediately. Today, we're going to learn how to make that $1,000 (and every dollar after it) work for you so you never have to worry about "where the money went."

Learning Objectives

By the end of this lesson, you will be able to:

- Define and distinguish between **Income, Expenses,** and **Savings**.
- Categorize spending into **Needs** (Essential) and **Wants** (Lifestyle).
- Build a balanced 50/30/20 budget based on a real-world scenario.

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2. Body: The Building Blocks of a Budget

I DO: Modeling the 50/30/20 Rule

Explain that budgeting is simply telling your money where to go instead of wondering where it went. Introduce the **50/30/20 Rule** as a gold-standard framework:

- **50% - Needs:** Things you must have to survive (Housing, basic food, utilities, transportation).
- **30% - Wants:** Things that make life fun but aren't vital (Dining out, hobbies, streaming services).
- **20% - Savings/Debt:** Money for your future self (Emergency fund, big purchases, or paying off loans).

Example: If you earn $100, $50 goes to needs, $30 to wants, and $20 to savings.

WE DO: The Needs vs. Wants Sort

Let's look at a list of common items. Together, we will decide if they are a "Need," a "Want," or "Savings."

- Grocery store eggs and bread (Need)
- Newest iPhone upgrade when your current one works (Want)
- Electricity bill (Need)
- A deposit into a high-interest bank account (Savings)
- Designer sneakers (Want)
- Internet service (Can be a Need for work/school, but a basic plan vs. premium is a choice)

YOU DO: The "Dream Life" Simulation

The Task: Vilisi, you are now a freelance Graphic Designer earning **$3,000 per month** after taxes. Use the 20 tokens (each token = $150) to "buy" your life. You must allocate all 20 tokens across these categories:

- **Housing:** 6 Tokens (Studio Apartment) or 9 Tokens (Luxury Apartment)
- **Food:** 2 Tokens (Home cooking) or 4 Tokens (Frequent takeout)
- **Transportation:** 2 Tokens (Bus/Bike) or 4 Tokens (Car payment + Gas)
- **Entertainment:** 1-3 Tokens (Movies, games, concerts)
- **Savings:** You decide how many tokens remain!

Constraint: If you run out of tokens before covering your "Needs," you must go back and downgrade a "Want."

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3. Conclusion: The Wrap-Up

Recap & Reflect

Review the key takeaways:

- What was the hardest choice you had to make in the simulation?
- Why is it important to pay your "Savings" category first?
- How does having a budget actually give you *more* permission to spend on things you love?

Success Criteria

You have mastered this lesson if you can:

1. Correctly identify an expense as a Need or a Want.
2. Calculate 50%, 30%, and 20% of a given income.
3. Explain why a budget must equal 100% of your income (Zero-based budgeting).

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4. Assessment & Differentiation

Formative Assessment

During the "We Do" phase, the student's ability to justify why an item is a "Want" versus a "Need" serves as an immediate check for understanding.

Summative Assessment

The Personalized Plan: Have Vilisi create a real-world budget for their actual current income (allowance, chores, or part-time job). If they have $0 income, create a budget for their "Dream Item" identified at the start of the lesson, calculating how many months of saving 20% of a hypothetical $500 income it would take to buy it.

Adaptations

- **For Struggling Learners:** Use a physical "bucket" system. Label three jars (Needs, Wants, Savings) and physically drop coins or tokens into them to visualize the split.
- **For Advanced Learners:** Introduce the concept of "Inflation" or "Unexpected Expenses." Take away 2 tokens mid-activity (e.g., "Your car broke down!") and ask them to re-balance their budget on the fly.