Lesson One
Allowances and Spending Plans

Student Activities
directions
Your teacher will tell you how much "money" you have to spend. You may be using beans or other objects to represent money. Now, you need to make spending decisions in all of these categories. Place one bean in each square next to the option you choose in each category. Your goal is to spend something in each category, making sure you have enough money to cover all categories.

**school lunches**
- lunch out with friends
- take packed lunch from home
- get sandwiches from the store
- eat at a restaurant

**video games**
- play with games you already have
- purchase used video games
- play video games at an arcade
- buy new video games
movies

- borrow from the public library
- rent a video
- go to half-price matinee
- go to see full-price movie

sports equipment

- use equipment that you already have
- buy used sports equipment
- buy new sports equipment
- buy brand-name sports equipment
allowance allocation

**clothes**

wear what you already have

buy at a thrift store

buy at a discount store

buy at a department store

**donations to charity**

less than five percent

five percent

ten percent
lesson 1 quiz: spending plans

circle the correct answer for each question.

1. Spending plans are decisions about how you spend your allowance.
   True
   False

2. A written spending plan is the best way to manage an allowance.
   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. Candy bars
    d. Clothing
spending diary

directions
For one week, keep track of how you spend your money. At the end of the week, you may be surprised to see where your money goes. After you fill out this chart, answer the questions below.

<table>
<thead>
<tr>
<th>day</th>
<th>item</th>
<th>amount spent</th>
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setting up a spending plan
What are the common categories for the expenses in your spending diary?

1.
2.
3.
4.
5.

how much did you spend in each category?

<table>
<thead>
<tr>
<th>category</th>
<th>total amount spent</th>
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**spending plans**

**directions**
Put yourself on a budget for one month. First, determine what categories of expenses you have. You may include “fun,” “food,” and “gift,” for example. Then decide what your spending limit is for each category. Each week, track how much you actually spend.

<table>
<thead>
<tr>
<th>expense category</th>
<th>weekly budget</th>
<th>amount spent</th>
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