## Budgeting

**Yr 5, KS 2, Ages 9-10**

60 minutes

### Learning outcomes

<table>
<thead>
<tr>
<th>All students should</th>
<th>Most students should</th>
<th>Some students should</th>
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<tbody>
<tr>
<td>• know that it is important to look after their own money and that sometimes people need to save for things they may want or need now or in the future (links to KS2 Citizenship, 1f)</td>
<td>• understand that people can choose to allocate resources in different ways and that these (economic) decisions affect individuals and communities (links to KS2 Citizenship, 2j)</td>
<td>• be able to describe similarities and differences between personal budgeting and national budgeting (links to KS2 Citizenship, 2j)</td>
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<td>• have discussed making real choices and decisions (links to KS2 Citizenship, 5d)</td>
<td>• know that the government creates a budget for spending money from taxes (links to KS2 Citizenship, 2j)</td>
<td>• know that the Chancellor of the Exchequer is responsible for the national budget</td>
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<td>• have made decisions about spending by thinking through a variety of options and choosing responsibly (links to KS2 Citizenship, 5a)</td>
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### Prior learning and possible misconception(s)

The students are likely to be aware of budgeting if they receive pocket money and have to save for things and this will be a starting point for initial discussion. It would be useful for students to be aware that people pay taxes to the government for public spending and that is it the government that creates the budget for this money. The link between personal and national budgeting is picked up at the end of the lesson but if this is a new concept for the students then it will be helpful to introduce the link at the start of the lesson and reinforce it at the end. The lesson does require basic numeracy skills in adding and multiplying.
<table>
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<tr>
<th>Activity</th>
<th>Differentiation</th>
<th>Resources</th>
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| **Warm up:** making decisions about spending money  
Students work in pairs or small groups to discuss i) the things they like to spend their pocket money on and ii) what factors influence their decision on what to spend it on, e.g. other people, what they need versus what they want, etc. Answers can be fed back to the whole class. If you think the group may struggle with making the connection between personal and national spending then you could introduce the link at the start so that the plenary acts to reinforce this rather than introduce it. |  
Literacy: use the last slide of the PowerPoint as a write-on template.  
Numeracy: provide a series of pre-worked budgets and students explain which one they would choose and why.  
The catalogue has been created as a card sort for lower attainers. Students with low attainment in numeracy could be given three worked examples and explain which one they would choose and why.  
Extend discussion by asking what would happen if the youth club needed to charge their members to raise money to buy the |  
- ‘Planning a budget’ presentation  
- ‘Playground catalogue table’  
- ‘Playground catalogue card sort’ (SEN) |
| **Structured task:** learning how to budget by planning to save for a trip to the theme park  
Use the ‘planning a budget’ presentation to outline the problem. Students should work individually or in pairs to create their own budget to save over a four week period for a trip to a theme park. |  
| **Main task:** creating a budget for new playground equipment  
Working in pairs or small groups, the students look at the playground catalogue and decide on what equipment they would choose for a youth club with £100 to spend and bearing in mind that there must be enough equipment for each of the 32 youth group members to have something to do during their break. |  
- Group feedback: each group explains which equipment they chose, how much money they spent and how many people can use it. If there is time you could conduct a class vote for the best group.  
- Class discussion: ask the students what factors influenced their decisions and whom those decisions would affect, e.g. do they have a bias toward sports equipment because the people in the group like sport? How would that affect those who do not like sport at the youth group? |
### Plenary
Use the images on slide 4 of the presentation as stimulus material and ask the students what they think the link is between the activities they have completed so far and the images they are looking at. Explain that the government collects taxes from everyone who works in the UK to help pay for services that everyone can use (e.g. schools, hospitals, libraries). The Chancellor of the Exchequer is the person who is in charge of the Treasury and decides how to spend the money raised by taxes. This is done once a year on Budget Day where the Chancellor announces how the government is planning to spend the money over the next year. Explain that before this the government will have sat down and worked out how to divide the money up (just as the class did with the playground equipment) and when they do this they consider how it is going to affect different groups of people, who will use the different services, etc.

If the concepts of the Treasury, taxes, the Budget and public spending are new to the group, these could be covered in a separate lesson with homework to find out the name and role of the Chancellor of the Exchequer. Then an alternative plenary for the ‘Budgeting’ lesson would be to draw a web diagram of all of the factors which influenced their decision on what play equipment they chose, who would be affected by their decisions and how.

### Suggested homework and / or development work
- Show the students the spending chart in 2008/09 at [http://www.guardian.co.uk/business/interactive/2009/sep/16/public-spending-larry-elliott](http://www.guardian.co.uk/business/interactive/2009/sep/16/public-spending-larry-elliott). Explain the chart, highlighting the amounts of money spent. Ask the students questions about the spending, e.g. what does the government spend most money on?
- Look at the summary of the budget for this year online on a major news website. Students could research changes in the budget or give their opinion on the spending plans for the year with justifications.
The IMF has produced a game to show the different types of currencies within various countries through different ages (http://www.imf.org/external/np/exr/center/studentss/money/index.htm) and a trading game which introducing the idea of world trade (http://www.imf.org/external/np/exr/center/studentss/trade/newplay.cfm)

Key words
Budget, Public spending, Government, Taxes, Money, Chancellor of the Exchequer