



EduTrend Contents

W4C · ECONOMICS & BUSINESS STUDIES · MIDDLE SCHOOL

Budget Challenge

Plan a monthly budget and make savings grow

Ages 12–14

Level: Intermediate

60 minutes

Pairs · up to 30

Activity 04

Inside: activity at a glance · step-by-step session plan · facilitator notes · 3 student worksheets · assessment checklist

ACTIVITY 04 · AT A GLANCE

Budget Challenge

Pairs receive a scenario card for a young person with a monthly income. They list fixed and variable costs, balance the budget, respond to surprise events such as a broken phone, set a savings goal and calculate simple and compound interest on savings.

Learning outcomes

By the end of the session students can:

- create a balanced budget with income, fixed and variable costs;
- distinguish needs, wants and savings;
- respond to unexpected costs using an emergency fund;
- calculate simple and compound interest.

KEY WORDS

budget · income · expenditure ·
fixed cost · variable cost · saving ·
interest · compound interest ·
emergency fund

CURRICULUM LINKS

Maths: percentages and interest.
PSHE: financial capability. OECD
PISA financial literacy framework.

1

NEED

What do people
want?

2

CHOOSE

Scarcity and choice

3

PLAN

Costs and prices

4

TRADE

Buy and sell

5

MEASURE

Count the results

6

REVIEW

What would we
change?

Materials (per pair)

- Scenario cards with monthly income and circumstances
- Price lists for typical costs
- Surprise event cards
- Calculators or spreadsheet
- Worksheets 1, 2 and 3

Before the session

- Write scenarios with realistic figures for your local context.
- Prepare surprise event cards, both positive and negative.
- Set an interest rate for savings calculations.
- Prepare a worked example of compound interest.

SAFETY

Use fictional scenarios; do not ask about students' family finances.

ACTIVITY 04 · SESSION PLAN

Step by step

The surprise events show why an emergency fund matters.

Time	What happens	Say or ask
0–10 min Hook	How long would it take to save for something you want?	<i>“What stops people saving?”</i>
10–25 min Budget	Pairs list income and costs and balance the budget.	<i>“Which costs are fixed and which can change?”</i>
25–35 min Surprise	Draw an event card and adjust the budget.	<i>“How did you cope?”</i>
35–50 min Save	Set a goal and calculate simple and compound interest over several years.	<i>“Why does compound interest grow faster?”</i>
50–60 min Review	Pairs share one budgeting rule they would follow.	<i>“What is the most useful habit?”</i>

CHALLENGE CARD (print or copy onto the board)

Balance a monthly budget, cope with an unexpected cost and calculate how long it will take to reach a savings goal.

ACTIVITY 04 · FACILITATOR NOTES

The economics in brief

A budget compares income with spending. Fixed costs stay the same each month; variable costs change. A balanced budget spends no more than it earns. Saving part of income builds an emergency fund for unexpected costs.

Simple interest is paid only on the original amount. Compound interest is paid on the original amount plus previous interest, so savings grow faster over time. The same maths explains why debt with compound interest can grow quickly.

Common ideas to listen for

- “Budgets are only for people with little money.” Everyone benefits from planning.
- “Saving small amounts is pointless.” Small regular savings add up, especially with compound interest.
- “Interest only matters for savings.” It also makes borrowing more expensive.

Adapting the activity

Support

Use a template with categories and round-number figures.

Stretch

Build the budget in a spreadsheet and model different interest rates.

WORKSHEET 1

Monthly budget

Name: _____

Class: _____ Date: _____

Balance income and spending.

Budget

Category	Fixed or variable?	Amount
Income		
Savings		
Total spending		
Balance		

WORKSHEET 2

Surprise event

Adjust your budget.

The event

Changes we made

WORKSHEET 3

Growing savings

Compare simple and compound interest.

Interest

Year	Simple interest balance	Compound interest balance
0		
1		
2		
3		
4		
5		

What we notice

FOR THE TEACHER

Assessment checklist

Use during the session. One sheet covers up to eight students; copy as needed.

Student	Balances a budget	Responds to unexpected costs	Calculates interest correctly

Suggested codes: W = working towards · E = expected · G = greater depth

ABOUT THIS ACTIVITY

Budget Challenge is a sample activity from the EduTrend Contents W4C Economics & Business Studies programme (middle school, level: intermediate). Every activity in the programme follows the same format: a practical challenge, a clear session plan, facilitator notes and ready-to-print worksheets, so that teachers, club leaders and parents can run it without extra preparation.

Full 15-, 20- and 32-week programmes are available from EduStore at edutrend.org.

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