

Lesson 1

Introduction to Key Concepts



GUIDING QUESTIONS

- ❶ **Why do we establish priorities?**
- ❷ **What is the purpose of budgeting?**
- ❸ **Why should I care about the federal government's budget?**

OVERVIEW

Life is about choices. Establishing priorities to guide our short-term needs and long-term goals, and helps us make financial decisions.

In this lesson, students examine the relationship between setting priorities and budgeting. Students learn about financial planning before participating in a fictional personal finance activity. Afterwards, students discuss the federal government's budget and reasons for following budget announcements and participating in the budget consultation process.

LEARNING OUTCOMES

By the end of the lesson, students can:

- describe the importance of budgeting;
- analyze different decisions and priorities through a personal finance activity; and,
- evaluate the impact of the federal government's budget.

Starter

1. Read the story "[Mystery couple donate \\$500 to every Grade 12 student in Central Okanagan.](#)" (*Global News*, June 17, 2021).
2. Through a Think-Pair-Share discussion protocol, ask students to consider how they would spend \$500 right now.
3. In small groups or as a class, debrief on the activity using the following prompts:
 - a) Why did you choose to spend the money the way you did?
 - b) Did you spend the money on something that was a necessity or something that made you happy or both?
 - c) Do you think your decision would change if you were older or if you had graduated high school?

Essential Learning

1. Start with a conversation about **priorities**. What are priorities? Why do we establish priorities?
 - A priority is something that is considered very important or more important than other things.
 - Priorities determine where we focus our resources, such as money, time and effort.
 - When we establish priorities, it helps guide our day-to-day decisions and short-term and long-term goals.

For example, if you wanted to become a professional chef, you would probably want to go to culinary school to gain knowledge and experience to improve your employment prospects. This would require that you save enough money for tuition and be able to financially support yourself while you were attending school. To achieve this goal, you would probably have to earn money through a job and spend your money efficiently.

2. Introduce the concept of budgeting and ask students if they have ever budgeted their money before. Next, watch the '[Budgeting 101](#)' video featuring personal finance expert Vanessa Bowen. Ask students to create a 'sketchnote' while watching the video and give them a few minutes afterwards to complete it.

TEACHER NOTE:

Sketchnotes are rich visual notes created from a mix of handwriting, drawings, icons and shapes, and visual elements like arrows, boxes, and lines. Sketchnotes allow students to visually synthesize and summarize the ideas in their own ways. See sample at budgetconsultation.ca (Teaching Tools).

Key points from the video:

- A budget is a financial plan that estimates the money we expect to earn or receive and where we plan to spend it.
 - Usually we do not have enough money to do everything we want so we need to set priorities, which includes analyzing our needs and wants in order to create a budget.
 - Needs are basic things people must have to survive (food, clothing, and shelter), resources they need to do their jobs (education/training, reliable transportation, information and technology, and tools of the trade) and resources to help build and protect their assets (savings, insurance).
 - Wants are things that are nice to have or that we find enjoyable but are not necessary for living, earning, or protecting what you have.
 - A budget is also thought of as a "road map" to help get from point A to B or reach certain goals.
 - For example, someone might want to grow their savings from \$100 to \$10,000 or have enough money for a wedding or down payment on a house. Planning your finances helps you get there.
3. Provide access to or distribute copies of Activity 1.1 and Handout 1.2 to students and explain the fictional scenario.

Canada has announced a new program that encourages high school graduates to take a "gap year" to explore their interests and the real world before pursuing a specific career or post-secondary education. Each young Canadian will receive \$2,000 to use towards their activities over the course of the year.

Using the activities on Handout 1.2, students will have to create a budget for the year. They will need to determine how to spend their time and money, including saving money for any future goals or activities. Provide students with 15 min or more to complete the activity.

4. In pairs or small groups, have students share their budget and decisions with their peers. Afterwards, debrief as a class:
 - How did your decisions connect back to your priorities?
 - How different or similar were your plans compared to others?
 - Is it important to budget your money? Why or why not?

5. Watch the '[How Does the Federal Government's Budget Impact You?](#)' video with Vanessa Bowen. Next, review the following key points about the federal budget process and the Student Budget Consultation.
- The Government of Canada is now preparing the 2022 federal budget, which includes setting priorities for new spending and determining how best to serve Canadians.
 - As part of the budgeting process, the government consults with citizens, stakeholders, economists, and opposition parties to hear their views and recommendations about spending priorities and how best to support Canadians.
 - Young Canadians across the country have been invited to take part in the 2022 Student Budget Consultation. The program is coordinated by CIVIX, the same group that organizes the Student Vote program. The feedback collected will be shared with the Department of Finance and opposition parties.

Consolidation

Ask students to respond to the following questions (individual and partner work).

- Do you think it is important to pay attention to the federal budget? Why or why not? (Individual response in their learning log or journal)
- Should the government be consulting with youth about the budget, or any other policy? Why or why not? (Work in partners and record responses in a table)