



Consumption & Budget

Teaching material for financial education
for children from 9 to 13 years

Imprint

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Dear readers,

we are pleased that you have chosen to look into this teaching material. This means you already recognise the importance of teaching financial literacy and having conversations about money with children and young people.

Financial decisions can have major consequences for the future. Uncertain times in particular show how important it is to be financially prepared for unforeseeable events. This makes financial literacy a life skill. The OECD is just as convinced of this as we are. They define financial literacy as one of the six basic skills for a successful life in the 21st century, all across the world. And it is precisely this skill that children worldwide should learn as early on as possible.

Many young people criticize the fact that they learn too little or nothing about money and financing. Making a change in this regard will take time and educational efforts by parents, teachers and extracurricular partners. With your help, we want to give every child a chance at financial literacy, preparing them for real life financial decisions. This education can take place at school, or at extracurricular places of learning.

The ManoMoneta initiative is committed to this cause. We have developed a concept that allows you to sensitize children to a responsible use of money from an early age. It is primarily meant for children between the ages of nine and thirteen. With our material, we want to inspire you and show you concrete teaching ideas on how to approach the topics of money and finance in a way that is close to everyday life and linked to other important topics and skills.



The offer includes teaching ideas regarding two different topics. For each topic, lesson plans, methods, background information, worksheets and more are made available.

This includes the 16 knowledge cards, which provide informational input. In addition, our portfolio offers tasks to consolidate and deepen the acquired knowledge as well as references to related topics such as household and work.

The topic of financial literacy is particularly close to our hearts. We are convinced that financial education is the key to raising self-confident and responsible consumers. Let's work together, so the next generation is well prepared to handle money responsibly in their everyday lives.

Your ManoMoneta team

The Economics of Daily Life

A study conducted in the EU in 2022 shows that, on average, 42 % of European households are in debt. Greece and Italy are at the top of the list of households, that are at the risk of over-indebtedness, with 36 % and 35,7 % respectively. In contrast, Austria, Estland and Luxembourg only reach 12 %, 13 % and 14 % respectively. (Country Reports July 2022)

Household economy

The seemingly simple principle of income and expenditure presents a great challenge for many households, and leads to financially precarious situations time and time again.

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The challenge consists of realistically estimating fixed monthly expenses such as rent, loans or insurance policies, as well as variable costs for every-day consumption such as food, clothing, etc. The goal is to calculate your available budget and to stick to it.

But consumption can be very tempting and with financing offers readily available, it can be hard to resist. What might appear attractive at first glance can, however, be quite deceiving. A remedy is provided by the good old fashioned budget book, which helps visualise one's personal financial situation, and can be managed through a modern app. However, successful

personal financing does not only rely on keeping a budget, it is also important to garner savings for bigger purchases or hard times.

Children should be taught how to handle money in a playful way from an early age. Starting with their first pocket money the foundations for responsible spending habits can be set in place. Children should learn to understand and recognise the value of money, so they are able to decide what it is truly worth spending on. After all, not all purchases are necessary or sensible.

The teaching material

Using a bar chart, the students reflect and discuss everyday expenses, comparing them to a set budget. An important aspect of this task is to differentiate between wants and needs. Using cards featuring financial terms, such as bank, budget, budget plan, invoice, money, bank card, savings account and debt, the students work to acquire the necessary knowledge.

The teaching concept helps students acquire basic skills to deal with the economic demands of day to day life.



Skills

The students engage with financial terms regarding the topic of Consumption & Budget. Based on their newly acquired knowledge they create a bar chart to depict expenses. The basis for their calculations is a set budget, whilst fixed and variable expenses are discussed and laid down by the students.



Professional and methodological skills

The students

- > brainstorm costs in everyday life.
- > use a bar chart to visualize outputs.
- > understand the difference between fixed and variable costs.



Activity and decision skills

The students

- > make a bar chart with costs from different categories.
- > calculate costs related to a budget.
- > judge the costs according to necessity.



Social communication skills

The students

- > discuss necessary costs on the basis of a bar chart and find compromises.
- > respect and accept the opinions of others.
- > present their results in class.



Personal skills

The students

- > contribute to the implementation of the task in a solution-oriented manner.
- > learn that the weighting of income and expenditure is an essential element in dealing with money.
- > act responsibly and value oriented.

Lesson Plan

1. Phase: Sensitization

The students make themselves aware of what they need and spend money on in their everyday lives. At the example of a category, they critically question the importance of different expenses and decide which are strictly necessary and which are less so.

1.1 Brainstorming to get started

Begin with the following impulse and encourage the students to give whatever answers spring to mind: "What would you buy if you had a million Euros?" Then redirect the conversation to the topic of "budgeting". Using the → method: Brainstorming collect responses regarding the expenses of daily life and what the students, or their parents spend money on. Explore living expenses and necessities in detail, collecting examples for the following categories on the blackboard: food (eating), clothing, personal care (hygiene), hobbies/leisure time and school. At this point include the category "savings". If other categories are mentioned, you can add them.

Social form: Plenary | **Material:** Method sheet

1.2 Analysis of individual categories

Lead over into the next phase by examining one of the categories in more detail with the students. Review possible costs that could arise in the category "leisure time". How much does a cinema visit, a computer game or sportswear cost? Ask the pupils whether the examples given are necessary expenses or not, or if there might be cheaper alternatives. Draw attention to the fact that the question of whether or not you can afford something, often plays a key role. Ask the students what their thoughts are concerning the topic of debt. Point out that it is possible to borrow money in order to make large purchases (taking out a loan).

Social form: Plenary

Differentiation: Portfolio

As an alternative to brainstorming, start with the task "Mia's Budget" on pages 18/19 of the portfolio. This exercise is a good introduction to phase 2 of the lesson.

Phase 2: Development

By using the knowledge cards, the students learn important financial terminology. Using a bar chart, they analyse necessary costs, things they could live without, and set priorities according to their individual needs, within a given budget.

2.1 Gathering knowledge

In preparation of task 2.2 the students get to know key concepts related to the topic of "budgeting". Divide the class into 5 groups. Each group receives a knowledge card (bank, budget, budget plan, invoice, debt), which they then familiarise themselves with. Afterwards, the groups briefly explain their term to the class.

Social form: Group work | **Material:** Knowledge cards

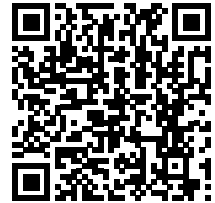
2.2 Creating a bar chart

For the following task, students can continue working in their groups. Each group receives a copy of the blank bar chart (→ template: Bar chart A3), a set of expenditure cards (→ template) and the → work sheet. The students have time to look at the categories and examples the material provides. Ask them if they understand the categories. In their team the students discuss which expenses they have to and/or want to spend in a typical month. Once the group agreed on expenditures and their prices, they write down the items on the corresponding expense cards (two calculation boxes correspond to 5 Euros or any other currency). Then they assign the cards to the categories on the bar chart and place them on top of each other. Emphasise that the chosen expenses should be as realistic as possible.

Explain that each group has a budget of 200 Euros and must decide how to invest their money well. They should take care not to forget to include the cost of savings. When they add up their expenses, they need to check whether they have managed to stay within the budget. If the budget is exceeded, they have to remove individual products. If the students want to include expenses that have not been predefined, they can design the blank cards themselves.

Social form: Group work | **Material:** Worksheet, bar chart, cards

Tip: Point out that there are some indispensable costs (e.g. school meals) that cannot be avoided. However, the students can decide whether they will opt for the cheaper school meals, lunch from home, or snacks from the kiosk.



The knowledge cards as PDF for download: Bank, budget, budget plan, invoice, debt

https://www.manomoneta.de/en/mediabase/pdf/KnowledgeCards-Consumption_809.pdf

Phase 3: Evaluation/Consolidation

The students present their results and justify their spending choices. They present their choices, reflecting on the priorities of their purchasing decisions in terms of necessary and desired spending.

3.1 Presentation and reflection

One after the other, the groups present their results to the class. For this purpose, they hang up their diagram in the classroom, for example on the blackboard. The focus of the presentation is the choice of products in the individual categories and the students' reasoning behind these choices. It should also be discussed how much money the students managed to put into their piggy banks in order to plan for unexpected events. After the presentation, allow time for questions from the class.

Social form: Plenary | **Material:** Bar charts

3.2 Lightning round

End the lesson with a lightning round. Briefly ask all students what they enjoyed, what they struggled with, and what they learned.

Social form: Plenary

Consolidation: Portfolio

Pages 16-19 of the portfolio are useful to reflect and consolidate the lesson so far. Alternatively, you can assign the research task on pages 20/21 as optional homework.

For the Teacher

Time	Content	Social form	Media/Material
15 minutes	<p>1.1 Introduction with impulse question and brainstorming Intro impulse question; Collection of spontaneous statements about costs in everyday life</p>	Plenary	Method: Brainstorming
5 minutes	<p>1.2 Analysing the categories Explain the different categories in which expenses are incurred in everyday life</p>	Plenary	
20 minutes	<p>2.1 Knowledge building Exploring and explaining financial terms</p>	Group work	Knowledge cards
30 minutes	<p>2.2 Creating a bar chart Arranging expenses in a bar chart</p>	Group work	A3 poster bar chart, copy of expenditure cards, worksheet, sample
15 minutes	<p>3.1 Presentation and reflection Presenting the results of their work to the class</p>	Plenary	Poster (bar chart)
5 minutes	<p>3.2 Lightning round Short feedback round about the lesson</p>	Plenary	

Method: Brainstorming

Method info



5–30 min.



5–30 participants



Plenary

Learning phase

**Sensitization**

Development

Integration

Evaluation

Material

Subject

The method

This method is particularly suitable as a lesson starter or to introduce new topics. The students' prior knowledge and creativity are activated. If possible, all students should have a chance to add something to the brainstorming session.

Didactic goal

Using the creative technique of brainstorming you can quickly immerse students in a new topic. The spontaneous and open expression of the class promotes creative and associative thinking as well as communication skills. The subsequent analysis of the result trains analytical skills. As the creative phase does not allow for criticism, the students learn to be tolerant towards other opinions and perceptions.

Procedure

- > Name the topic of the brainstorm. This can be a simple term, a quote, or any other form of input.
- > Give the students a moment to think about the topic. You can combine this phase with a brief conversation period, i.e. an exchange among the students.
- > Now collect the students' ideas. Make sure no judgements are made. All ideas can be expressed freely. Even the most unlikely associations should be recorded, ideally by writing them down on the blackboard. During this phase the rule is: quantity over quality.
- > In a short final round, the statements can be categorised, ordered, and evaluated. The ideas collected in the brainstorm serve as a foundation for the following stages of the lesson and can remain on the blackboard serving as a guideline.

Method: Lightning Round

The method

This method is suitable as an introduction or at the end of class to pick up on moods and opinions. A lightning round can be carried out as a quick oral round or in writing. The written version has the advantage that ideas and thoughts are recorded and can serve as the basis for later discussion.

Didactic goal

The lightning round provides insight into the mood and thoughts of individual students. It encourages short, spontaneous expressions of opinion, improving the group communication. Furthermore, it ensures that all students are able to make a contribution to the discussion.

Procedure

- > Pose a question or formulate a statement for the students to react to.
- > Allow them to reflect on their answer to the question or position to the statement. Alternatively, you can have them write down their answer.
- > Give each student a turn to speak. Start with voluntary requests. Depending on the situation it might be desirable that answers are not repeated. In this case, students may say "next" if they cannot make a new contribution to the discussion.
- > Whether or not there is a need for further discussion can be communicated by a show of hands.

Method info



10–15 min.



10–30 participants



Plenary

Learning phase



Sensitization

Development

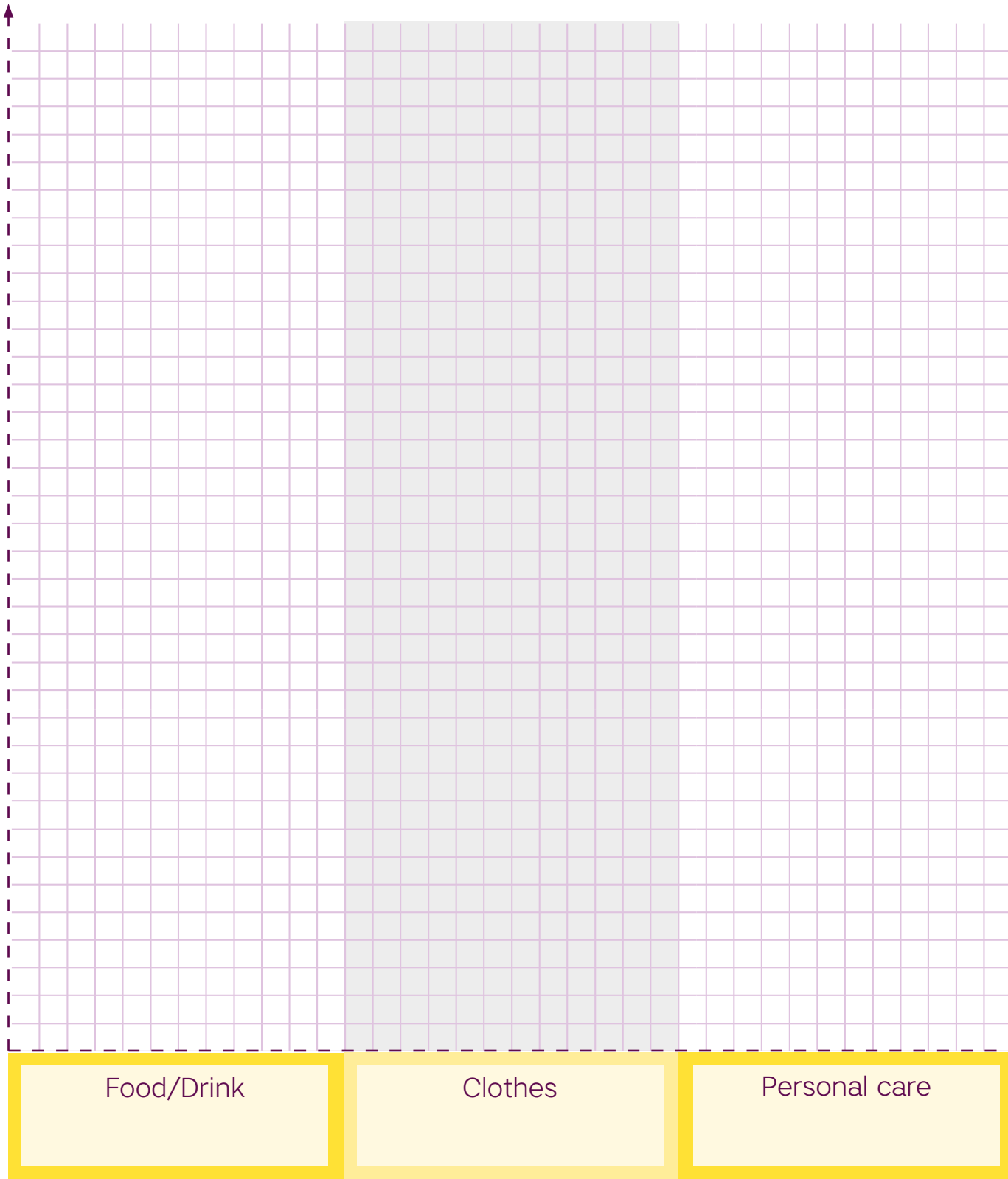
Integration

Evaluation

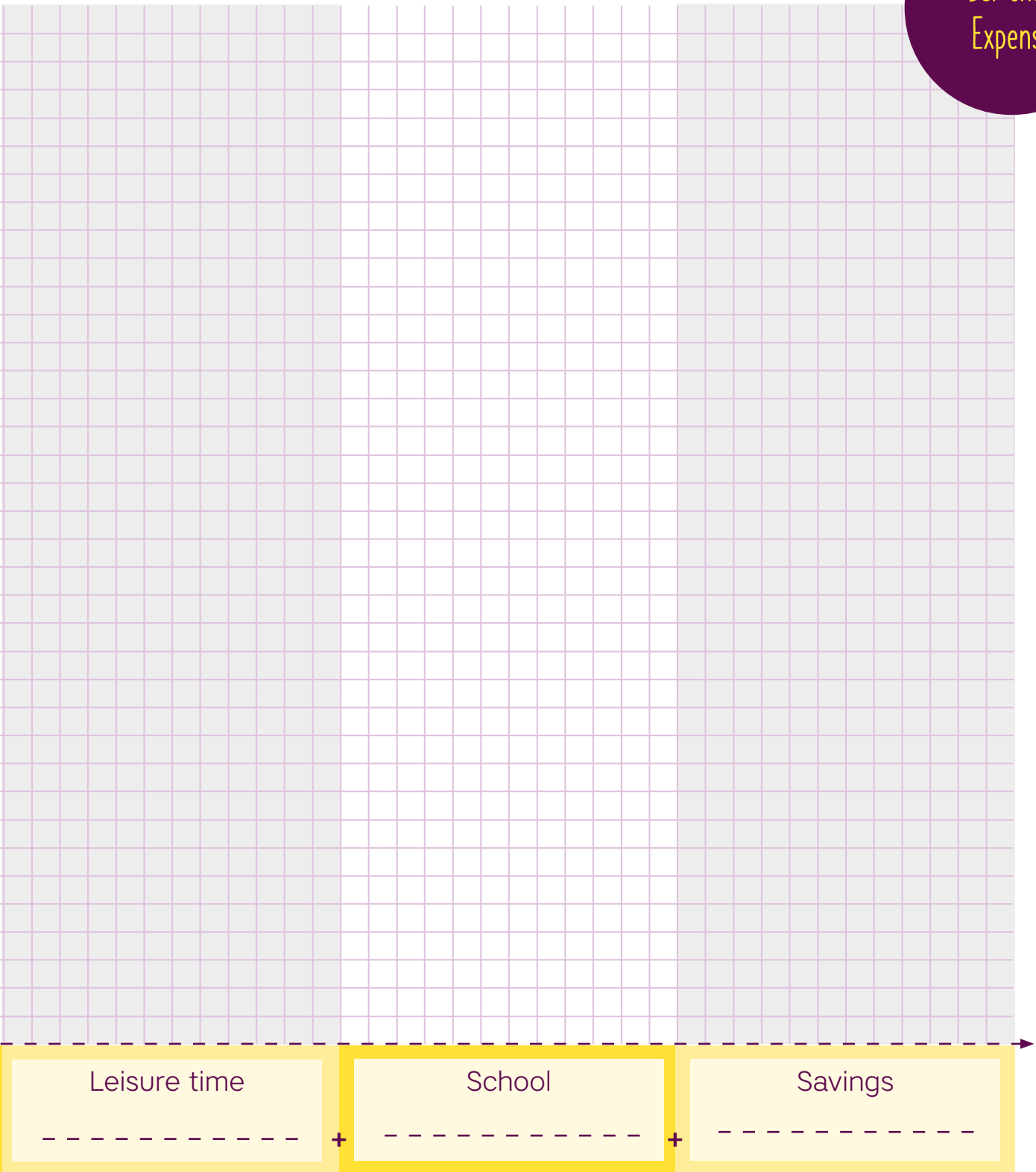
Material

Question

Statement

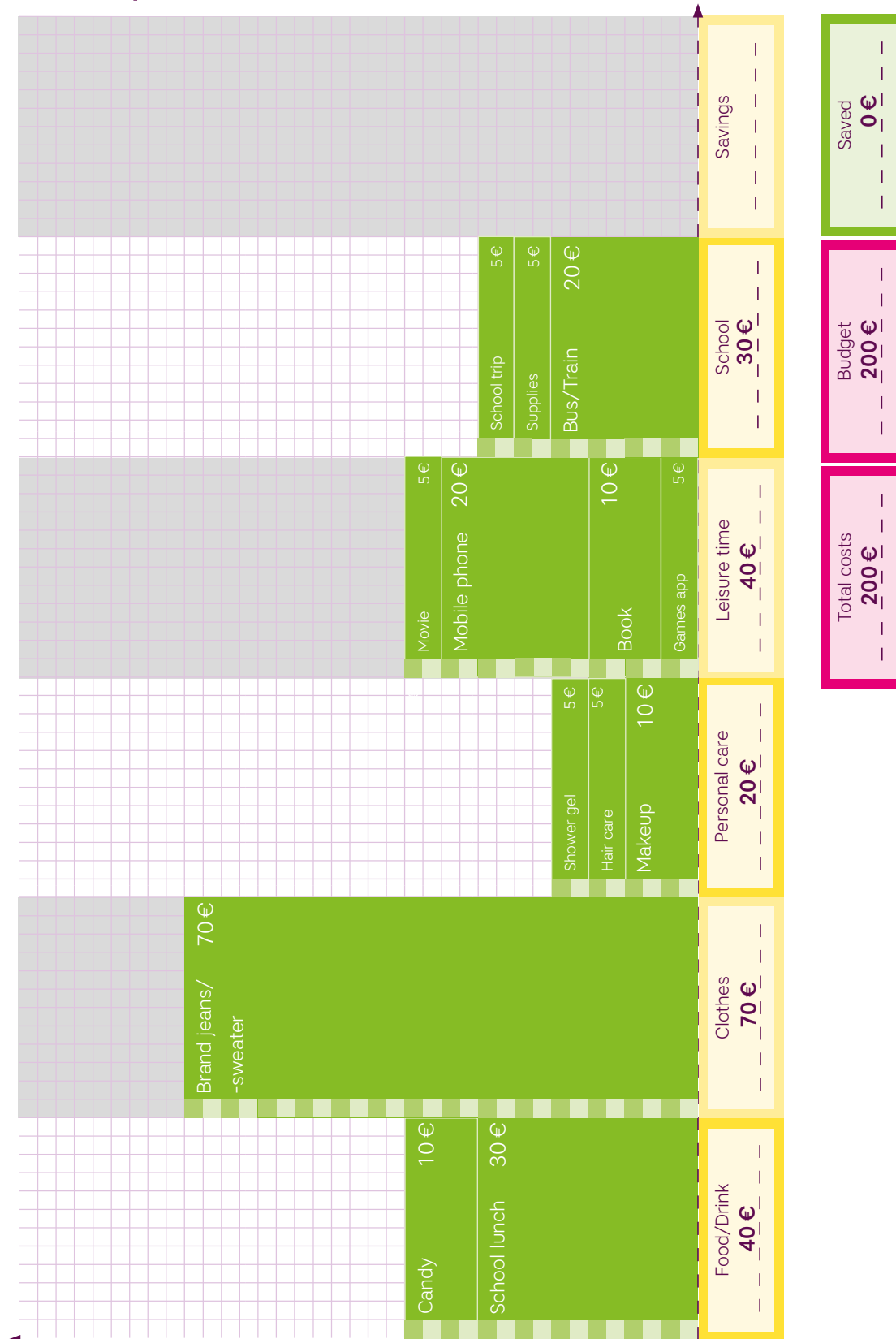


Bar chart:
Expenses



$$= \boxed{\text{Total costs}} - \boxed{\text{Budget}} = \boxed{\text{Saved}}$$

Sample



Name _____

Class _____



Worksheet: Budget

Imagine having a monthly budget, that you can't exceed! To figure out if this adds up, you can use the diagram and the product cards. Work in a team and proceed as follows:

1

Place the diagram in the middle of the table. Cut out the product cards, write items you need for your every day life on it and add the price and the currency. Then decide what belongs to which category.

2

Discuss what you need and what you want to spend money on. There are categories, such as food and drink, which are important because you need them to live. But you can also choose the cheapest option. Be realistic about your choices.

3

Assign these cards to the categories and place them on top of each other.

4

Calculate the sum of the individual categories and the total sum. If your total is over budget, then you have to give something up. If the total is below the budget, you can put something into the savings account.

Templates

Copy the double-sided diagram (page 12/13) on A3 paper, as well as two set of the product cards per working group. In this example, two boxes correspond to 5 euros to fit the diagram or calculation box paper.

Examples for the categories

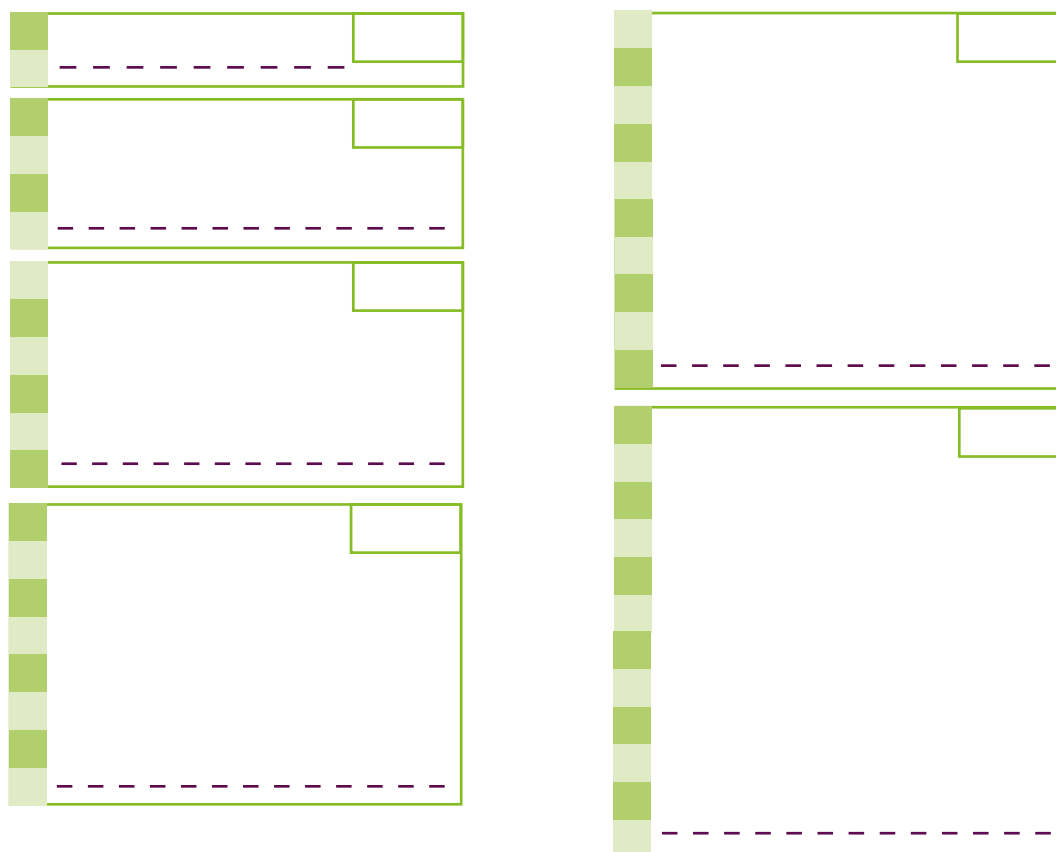
Category food/drink: School lunch, food from the kiosk, homemade lunch, fast food, sweets, soft drinks

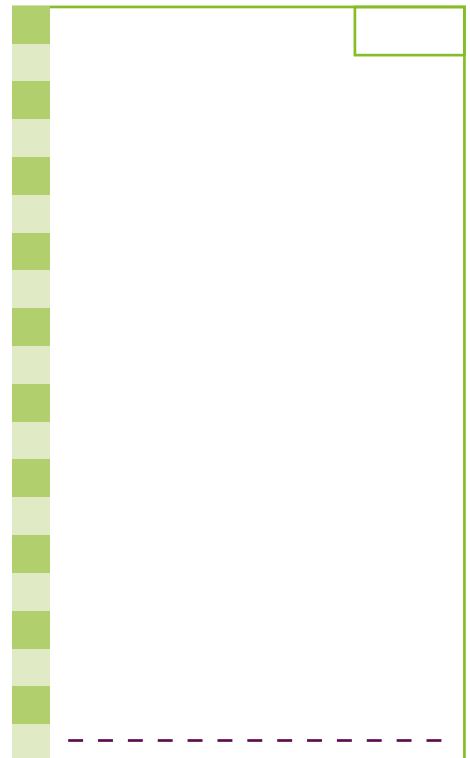
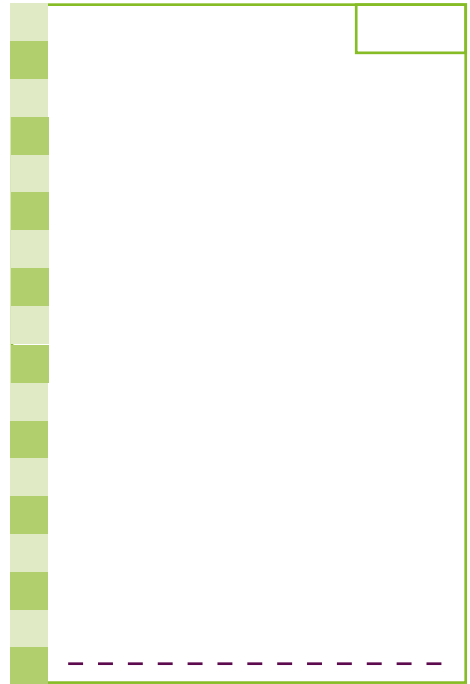
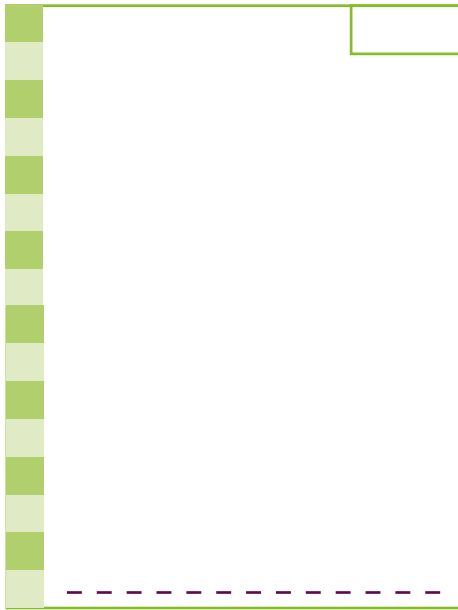
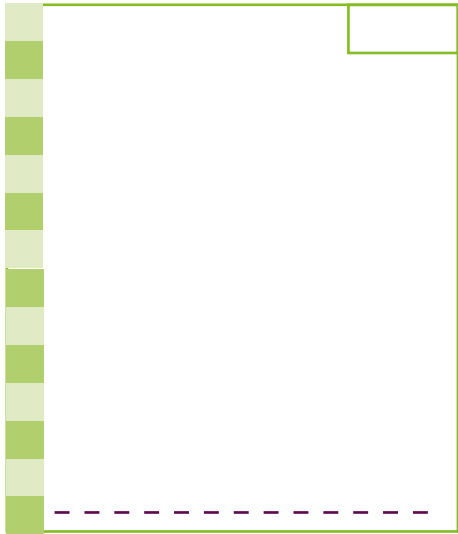
Category personal care: Make-up, dental care, hair products, shower articles, skin care

Category school: Monthly ticket bus/train, way to school by car, stationery, school trip

Category clothing: Designer shoes, no-name/second-hand jeans/jumper, no-name t-shirt, no-name shoes, designer jeans/sweater, designer t-shirt

Category hobby/leisure: Mobile phone contract, mobile prepaid card, book, comic, magazine, sporting goods, sports club, music school, music-streaming, video-streaming, trading cards, games app, computer game, toys, movie, theater





Background: Over-indebtedness

(...) households are considered over-indebted if they are having – on an on-going basis – difficulties meeting (or falling behind with) their commitments, whether these relate to servicing secured or unsecured borrowing or to payment of rent, utility or other household bills. (Directorate General Health and Consumers)

Consumption and debt

Consumption is tempting – and consumption has never been easier than today: Offers such as zero-percent financing, buy now – pay later, convenient instalment purchases, direct deductions, favourable loans, or promotional prices make the purchase – even of expensive consumer goods – seem affordable.

Getting into debt is common nowadays. It allows for short-term purchasing decisions, liberating people from saving for a long time or scraping together money, until they can afford something. In principle, debt is not necessarily a bad thing. It only becomes an issue if you are no longer able to pay your bills, threatening your ability to finance your cost of living. This would be called over-indebtedness, which in the worst-case ends in bankrupting yourself.

Causes for over-indebtedness

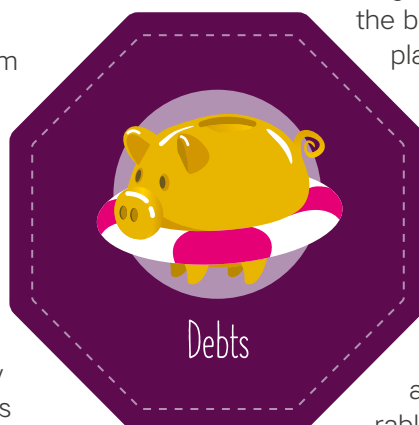
Excessive consumption is one of the top 5 reasons that lead to financial difficulties. However, external and unforeseeable circumstances are not to be overlooked. Job loss resulting in unemployment is the most common reason for bankruptcy. In addition to unemployment or a stroke of fate can also majorly factor into over-indebtedness.

These include:

- illness, addiction, accidents
- separation, divorce, death
- failed businesses

This shows that good budget management alone can not always prevent payment difficulties.

A budget plan must aim to ensure that the budget is never overburdened, by planning for a reserve or buffer.



To reduce unnecessarily high claims caused by loans or instalment purchases, every investment should be well considered. Young people under the age of 30 in particular can quickly lose track of their financing of smartphones, cars, and travel. Even seemingly "favourable" loans for education should be viewed with caution. In addition there can be a strong desire for independence and the dream of owning a home and a car among young people.

Early sensitization

The value of money or consumer goods can be very abstract for children. This makes it all the more important to teach responsible consumption through play. Next to the parental home, schools are the main contributors to children's socialisation. Therefore, a significant contribution to the acquisition of money handling skills can be made within the framework of education.

Background: Financial Planning

There are considerable differences in the purchasing power of EU consumers. This is reflected in the structure of household spending. For example, the share of food expenses in overall expenditure is highest in Romania, one of the countries with the lowest per capita purchase power of only € 7,738, while the average in Europe is 17,688€. (gfk.com)

Calculating with a budget

The revenues and expenditures of a state are compiled in a yearly budget. Companies work with a budget and calculate expected revenues and estimated expenses. Clubs and associations work with a budget. Even self-employed people or start-ups have to prepare a budget plan to determine what they can afford and whether they will be able to cover their costs and sustain their livelihood.

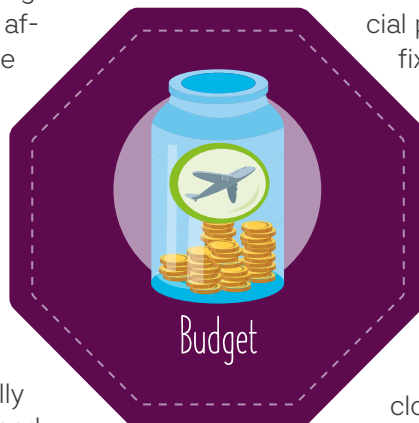
All of these measures serve the same purpose: To realize a reliable estimate of income and expenses and to gain a realistic impression of one's finances. At first glance, this sounds quite simple, but especially newcomers to self-employment and entrepreneurs can often underestimate the costs they will have to bear and overestimate their expected income.

Private households

Even private households form an economic unit, which consists of at least one person. Several people from the same household are called a multi-person household, or a family if they are married or related. As an economic unit, households are practically indistinguishable from enterprises. They bear the responsibility to satisfy the needs of all members of the household. In addition to social and ecological tasks, this concerns solid financial planning above all else.

Financial planning

From an economic point of view the household income forms the basis of financial planning. This may include wages, government benefits, pension and life insurance entitlements or income from interest and rent. All of these revenue streams can be included in the financial plan. The income is offset by the fixed expenses a household incurs each month: Rent, insurance, car and other recurring payments. In addition there are annual or semi-annual costs, which are converted and spread out over the entire year. What is left on the bottom line is the monthly budget that remains available for everything else, such as food, clothing, hobbies, and free time.



Saving money

Classic pitfalls of financial planning are unexpected costs such as a broken washing machine or energy expenses, but also the misjudgement of variable costs. The costs for heating, electricity or gas are only billed at the end of the year and can therefore often come as an unwelcome surprise. It is advisable to plan and provide for financial reserves, so as not to be overwhelmed by unexpected costs.

