

Budgeting for Prom

SUBMITTED BY: WGYP Summer 2011 Instructor

SUBJECT(S): Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students will make a spending plan for a traditional rite of passage for American teenagers – the prom. In regions or countries where this kind of gathering is not as dominant or appropriate, students can plan an end-of-the-year party for their graduating class or whatever they feel is appropriate. Essentially, the lesson asks for students to work in a small team (two-to-three people) to plan and budget for an evening out.

≡ NBEA STANDARD(S):

- Personal Finance, III. Managing Finances and Budgeting
- Personal Finance, V. Buying Goods and Services

≡ RELATED ARTICLES:

- [“Prom Appeals to the Heart – and the Business Brain”](#)
- [“Mobile Payments: A Cautionary Tale”](#)
- [“How Much Did You Spend on Prom?”](#)
- [“Educator Toolkit: Spending and Budgeting”](#)
- [“Cap, Gown, Cash: Get Smart with Your Graduation Gifts”](#)
- [“Budgeting Tips to Help You Take Control of Your Money”](#)
- [“Budgeting Basics: Spending Less than You Earn”](#)
- [“Angel Carter Is a Voice for Financial Fitness and Independence”](#)

Common Core Standard(s):

- Reading Informational Text–RI.9-10.1.; RI.9-10.2.
- Speaking and Listening–SL.9-10.1.

Purpose:

- The students will design a spending plan for a major party.
- They will also think about differences between necessary and optional expenses.

Other Resources/Materials:

Computer, internet, projector

Activity:

This activity has the following components: Team Assignments

1. Team Assignments (5 mins)

For this activity, try to begin by making the students into couples, either boy-girl, boy-boy or girl-girl. You can also have the students in groups of three depending on the number of students to simulate a “group date” if students feel uncomfortable in a “date” scenario.

2. Guided Reading (10 mins)

Students will read through the WGYP article on their own and discuss what they found interesting in their groups. Have a short discussion about the following points:

- Re-using prom dresses and tuxes to save money and be eco-friendly
- Driving to prom rather than getting a limo
- The \$2 billion/year business around prom
- Wastage at proms

3. Teacher-led Discussion (5 mins)

The teacher will lead a short discussion about what students know about prom.

- Have they ever attended such a party; how did they manage it?
- Have they heard how others managed their proms?
- The teacher can write these notes on the board if they seem relevant to the upcoming activity.
- Students can also share concerns they have about the prom budget issue and how they could possibly find ways to plan for this expense in advance.

4. *Teacher-led Explanation (2 mins)*

The project is that each student will be assigned an amount of money he/she has at her/his disposal. The students will work through the budget decisions using the consumer decision-making process, which they learned in a previous lesson in this unit.

[Consumer decision making is a process by which consumers (1) *identify their needs*; (2) *collect information*; (3) *evaluate alternatives*; and (4) *make the purchase decision*.

Each team will have three budgets to plan for: \$150, \$300, \$500. Their job is to come up with budgets for each amount and make decisions about some necessary expenses (prom tickets) versus optional/luxury expenses (designer dresses or limos).

The couple/group will put together a budget for their “date” accounting for individual items (Goods: dress, tux rental; Services: hair and nails) and team costs (prom tickets, dinner, limo or gas for car, etc.). They can also think about keeping some money as emergency money if they need to catch a cab, if their car breaks down, or any other disaster that might interfere with the prom event.

Important: They will also need to explain which expenses were necessary versus optional. If they are unable to afford a luxury/optional expense due to a necessary expense, they should note that decision. It is up to them to decide how they break down or share costs (i.e. party tickets, pictures).

5. *Group Activity (15 mins)*

Students will do the activity in groups and take notes about their itemized budgets on butcher paper to share in a presentation. They should also give some thought to where the revenue for these items would come from.

6. *Presentation (5 mins)*

Students will explain some of their decisions in a team presentation at the end of class. The teacher will assess each group and may choose to say why one group has completed the task most satisfactorily, sticking to the budget and using creative strategies to get the most of their money.

(45 mins)

Tying It all Together:

In this lesson, students make three potential budgets in order to understand the importance of planning how they will spend their money and command control of the spending process.

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