

TEACHER GUIDE

Goal Under Pressure

A dynamic budgeting and decision-making activity

TIME	30–40 minutes	Short version: five or six rounds
FORMAT	Independent or groups of 2–3	Calculators are optional

Learning goal

Students develop a savings goal and continually revise their plan as income, expenses, needs, and opportunities change.

- Compare goals with different costs and benefits.
- Develop and revise a realistic savings plan.
- Distinguish between goal savings and money kept for other purposes.
- Explain financial decisions that do not have one correct answer.

Success means creating, revising, and explaining a reasonable plan. It does not necessarily mean buying a bicycle by the end of the activity.

Introducing Asha

Read aloud

Asha would like to buy a bicycle. She has already saved \$120 and has found two possibilities.

A simple refurbished bicycle costs \$300. It meets Asha's basic needs, but she does not know how long it will remain available. If she wants this bicycle, she may need to save quickly. Because it is refurbished, she should also consider its condition and possible future repair costs.

A brand-new bicycle costs \$600 and comes with a warranty. It would take much longer to save for, but the warranty would provide some protection if something went wrong.

Asha normally earns \$80 per week after deductions. She pays \$30 per week for required transportation and phone expenses. She also usually spends about \$20 per week on snacks, entertainment, and time with friends.

Your first task is to decide what Asha should work toward. Then you will manage her plan as her circumstances change.

Establishing the goal

Before revealing any events, students decide:

1. Which bicycle should Asha work toward?
2. What is her savings target?
3. How quickly should she try to reach it?
4. How much optional spending should she plan for each week?
5. Should all \$120 be assigned to the bicycle, or should some be kept separately for unexpected expenses?
6. What information or assumptions influenced the decision?

Students may choose the \$300 refurbished bicycle, the \$600 new bicycle, an initial savings milestone while Asha continues comparing the options, or another reasonable bicycle plan. Another plan must include a specific target amount and an explanation.

Students cannot assume the refurbished bicycle will remain available. If it is gone when Asha has saved enough, she will need to revise her plan.

Savings categories

- Bicycle savings: money assigned to the bicycle goal
- Other savings: money kept available for unexpected expenses or other priorities
- Weekly spending: money used during the current week

Students must record transfers between the two savings categories. Money cannot be moved or reclassified retroactively to improve an earlier decision.

ROUND 1

Fewer work hours

Read aloud

Asha's work hours are reduced this week, so she earns only \$50 instead of \$80. Her required expenses remain \$30.

Asha had planned to spend about \$20 on snacks and an activity with friends. She could keep those plans, reduce what she spends, suggest a free activity, or decide not to go. She could also accept that less money will go toward her goal this week.

How should Asha respond? How much should she spend, and how much should she save?

Teacher prompts

- Which parts of this situation can Asha control?
- What would she give up under your plan?
- How does this affect the goal and timeline your group selected?
- Would your decision be different if the reduced hours were expected to continue?

Calculation $\$50 \text{ income} - \$30 \text{ required expenses} - \text{chosen spending} = \text{amount available to save this week}$

Teacher note The reduced income applies only to this week.

ROUND 2

Birthday money

Read aloud

Asha earns her usual \$80 this week and receives \$40 in birthday money. Her required expenses remain \$30.

Asha could put all of the gift toward her bicycle goal, use some of it for a birthday activity or something she wants, keep some available for future surprises, or divide it among several purposes.

What should Asha do with the additional money? How much should go toward the bicycle, and how much should be spent or saved for something else?

Teacher prompts

- Does unexpected money change Asha's priorities?
- Is gift money different from employment income?
- Would saving the full amount make a meaningful difference to your goal?

- Does your plan place any money in a separate savings pool?
- How might today's decision affect Asha in a later round?

Calculation \$80 income + \$40 gift - \$30 required expenses - chosen spending = amount available to save this week

Teacher note Students decide how to divide the amount between bicycle savings and other savings.

ROUND 3

Broken headphones

Read aloud

Asha earns \$80 this week, and her required expenses remain \$30. Her headphones break. She uses them for schoolwork as well as videos and games.

A basic replacement pair that would cover schoolwork costs \$30. A better pair that would also provide better sound and comfort for videos and games costs \$45.

Asha could buy one of the pairs, try to work around the problem, or look for another solution. A workaround might save money but could be inconvenient or limit when and where she can complete schoolwork.

Should Asha replace the headphones or try to work around the problem? If she replaces them, which pair should she choose and why?

Teacher prompts

- Are the headphones a need, a want, or partly both?
- What does the more expensive pair provide beyond the basic pair?
- Could spending more be reasonable even if it delays the bicycle?
- What would Asha need to know before relying on a workaround?
- How does your decision affect your chosen goal and timeline?

Calculation \$80 income - \$30 required expenses - headphone cost - other chosen spending = amount available to save this week

Teacher note A workaround costs \$0 unless students propose a specific alternative with a reasonable cost.

ROUND 4

Asha gets sick

Read aloud

Asha is sick and cannot work this week, so she earns \$0. Her regular \$30 of required expenses still need to be paid. She also needs to spend \$10 on medication to help with her illness.

Asha has no income available to cover these costs. She must take \$40 from money she has already saved.

If your group previously kept money separate from the bicycle fund, Asha may be able to use it. Otherwise, some or all of the money will need to come from her bicycle savings.

Where should the \$40 come from? How does this affect the goal you established?

Teacher prompts

- Did your earlier decisions leave Asha with other savings?
- Which savings pool should she use first, and why?
- How much must come from her bicycle savings?
- Should the bicycle timeline or goal now change?

- Would your answer be different for the \$300 and \$600 bicycles?
- What does this event show about keeping money available for unexpected expenses?

Calculation \$0 income - \$30 required expenses - \$10 medication = \$40 shortfall. Subtract other savings used; the remainder comes from bicycle savings.

ROUND 5

An extra shift is available

Read aloud

Asha's regular income and required expenses return to normal. She expects to earn \$80 and pay \$30 in required expenses.

A coworker offers Asha an additional weekend shift that would add \$40 to her income. However, the shift takes place at the same time as a free review session for an upcoming test.

Asha could accept the shift, attend the review session, or ask whether part of the shift or another work time is available. There is no guarantee that her employer can make a change.

What should Asha do? How should she weigh additional income against the time she needs for school?

Teacher prompts

- Is earning more money automatically the best financial choice?
- What could Asha gain or risk by accepting the shift?
- How much difference would the extra income make to your goal?
- Would the decision change if Asha were struggling in the course?
- Is asking for a different shift a complete plan or a possibility that needs a backup plan?
- If Asha earns the additional money, should all of it go toward the bicycle?

Calculation \$80 regular income + \$40 additional income - \$30 required expenses - chosen spending = amount available to save

Teacher note If students propose a half shift, the teacher may assign \$20 of additional income.

ROUND 6

A school opportunity

Read aloud

Asha earns her usual \$80, and her required expenses remain \$30.

A school club is organizing a one-time event connected to one of Asha's interests. Participating costs \$35, including transportation and admission. Asha would like to attend because some of her friends are going and the event may not be offered again this year.

She could pay the full cost, decide not to attend, ask whether financial assistance or a lower-cost way to participate is available, or adjust another part of her spending plan.

Should Asha participate? If so, how should she cover the cost?

Teacher prompts

- Is this event a need, a want, or something that does not fit neatly into either category?
- What might Asha gain by participating?
- What would attending do to your bicycle timeline?
- Is it reasonable to use bicycle savings for a meaningful one-time opportunity?
- What could Asha ask the school before deciding?

- What should her backup plan be if assistance is unavailable?

Calculation \$80 income - \$30 required expenses - \$35 event cost - other chosen spending = amount available to save

Teacher note If students seek assistance, they should prepare one plan if assistance is available and another if Asha must pay the full \$35.

ROUND 7

Transportation costs increase

Read aloud

Asha earns \$80 this week. A regular ride is no longer available, so transportation will cost an additional \$10 per week. Her required weekly expenses are now \$40, and this increase is expected to continue.

Asha could reduce optional spending, save less each week, extend her timeline, reconsider which bicycle she wants, or keep more money available in case another expense arises.

A bicycle might eventually reduce some transportation costs, but Asha does not yet know whether she could use it for her regular trips throughout the year.

How should Asha revise her plan for this week and for the weeks ahead?

Teacher prompts

- How is an ongoing increase different from a one-time expense?
- Is the original goal still realistic?
- Does the increase make the less expensive bicycle more attractive?
- Could buying a bicycle reduce future transportation costs?
- What information would Asha need before relying on the bicycle for transportation?
- Should she change the bicycle, the deadline, her spending, or a combination of these?

Calculation \$80 income - \$40 required expenses - chosen spending = amount available to save this week

Final recommendation

Students review the goal they established and calculate Asha's bicycle savings, other savings, amount still needed, likely additional weeks, and whether the goal remains appropriate.

They recommend whether Asha should continue toward the original bicycle, change bicycles, extend the timeline, keep more money available, investigate another option, or follow another reasonable plan.

Students should explain:

1. What they originally chose.
2. How the events affected that goal.
3. Which decisions had the greatest effect.
4. What they now recommend.
5. Why the revised plan is reasonable.

Debrief

- Did choosing different goals lead groups to make different decisions?
- Did the lowest-cost choice always best support Asha's priorities?
- Which events gave Asha several reasonable options? Which gave her the least control?
- Did anyone change the goal rather than continually reduce spending?
- How did keeping separate savings affect later decisions?
- What information would Asha need before making the final purchase?
- When is revising a financial goal a sign of good planning?