Third Grade
Financial Literacy
Lesson 6
Fixed and Variable Expenses
Learning Target: I can explain and sort examples of different types of expenses.
Essential Question

Why should people budget withdrawals?
Key Vocabulary

budget  income
deposit  expense
withdrawal  fixed
balance  variable
Let’s Review!
Let’s learn some new words!

EXAMPLES OF FIXED EXPENSES!

RENT

CAR PAYMENT
When I make a withdrawal from my budget to buy something, that is called an expense. An expense is the amount of money you spend on something you need or want.
When I buy the same thing again and again and the cost does not change, it is called a fixed expense.
When I buy the same thing again and again and the cost changes, it is called a variable expense.
Let’s Practice!
Month 1: $2000
Month 2: $2000
Month 3: $2000
Month 1: $174
Month 2: $83
Month 3: $125
Month 1: $40
Month 2: $40
Month 3: $25
Month 1: $6.99
Month 2: $6.99
Month 3: $6.99
Month 1: $83
Month 2: $144
Month 3: $69
Month 1: $450
Month 2: $450
Month 3: $450
Month 1: $24
Month 2: $35
Month 3: $32
How can knowing if an expense is fixed or variable help us plan how we will spend our money?
Learning Target: I can explain and sort examples of different types of expenses.
thanks.
APPENDIX: Resources and Activity Worksheets

Slide 5: Vocabulary Game
Before you let the students click to play the game, write the following vocabulary words on a poster and/or whiteboard so they are visible to the class. Students will play the game to guess the word using the instructions outlined below. Once the students solve the word, review the meaning. Encourage students to give the definition and an example.

<table>
<thead>
<tr>
<th>4 Letters</th>
<th>5 Letters</th>
<th>6+ Letters</th>
</tr>
</thead>
<tbody>
<tr>
<td>save</td>
<td>money</td>
<td>service</td>
</tr>
<tr>
<td>give</td>
<td>spend</td>
<td>income</td>
</tr>
<tr>
<td>need</td>
<td></td>
<td>budget</td>
</tr>
<tr>
<td>want</td>
<td></td>
<td>balance</td>
</tr>
<tr>
<td>good</td>
<td></td>
<td>deposit</td>
</tr>
<tr>
<td>earn</td>
<td></td>
<td>producer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>consumer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>withdraw</td>
</tr>
</tbody>
</table>
APPENDIX: Resources and Activity Worksheets

**Slide 10: Vote With Your Feet**
Hang two signs at opposite ends of the classroom. One says Fixed and one says Variable. As you proceed through the following slides, ask the students to go to the spot that aligns with the type of expense.

**Slide 19: Cut & Paste**
Give each student a copy of the fixed or variable worksheet. Have them cut out all the squares at the bottom and paste them onto the proper spot.
Name ______________

Cut out the boxes below. Categorize whether an expense is fixed or variable.

<table>
<thead>
<tr>
<th>fixed expense</th>
<th>variable expense</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>House Payment</th>
<th>Medicine</th>
<th>Eating Out</th>
<th>Gas for the Car</th>
<th>Car Payment</th>
<th>Clothing</th>
<th>Internet</th>
<th>Phone Bill</th>
<th>Groceries</th>
<th>Netflix</th>
<th>Gymnastics Class</th>
<th>Going to the Movies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1: $1800</td>
<td>Month 1: $36</td>
<td>Month 1: $50</td>
<td>Month 1: $56</td>
<td>Month 1: $500</td>
<td>Month 1: $75</td>
<td>Month 1: $99</td>
<td>Month 1: $72</td>
<td>Month 1: $220</td>
<td>Month 1: $12.99</td>
<td>Month 1: $45</td>
<td>Month 1: $16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Groceries</th>
<th>Netflix</th>
<th>Gymnastics Class</th>
<th>Going to the Movies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1: $220</td>
<td>Month 1: $12.99</td>
<td>Month 1: $45</td>
<td>Month 1: $16</td>
</tr>
<tr>
<td>Month 2: $180</td>
<td>Month 2: $12.99</td>
<td>Month 2: $45</td>
<td>Month 2: $16</td>
</tr>
<tr>
<td>Month 3: $200</td>
<td>Month 3: $12.99</td>
<td>Month 3: $45</td>
<td>Month 3: $32</td>
</tr>
</tbody>
</table>
fixed
variable