

Business Virtual Learning

High School ~ Youth Entrepreneurs

May 13, 2020

Budgeting



Lesson: May 13, 2020

OBJECTIVES- BUDGETING

Upon completion of this lesson, students will develop the skills through which they may:

- Understand the concept and importance of budgeting.
- Use cost analysis evaluation to ensure maximization of net profits.
- Develop an event budget.

ABOUT- THE REACH AND TEACH CONCERT EVENT

- It's no secret music has been known to reduce stress and improve mental health. Thousands of studies have been conducted to determine the effects of music. The majority of which have shown the positive effects music can have on our lives. Listening to music is a favorite pastime that many teenagers enjoy on a daily basis. However, attending a concert is not nearly as common. Listening to live music is a completely different experience. This experience has the ability to awaken your spirit and change your life, especially when the music is something you love.
- This unit will examine how basic marketing principles are used in the entertainment industry. Students will use the knowledge gained from this unit to determine which basic marketing principles can be used to successfully promote a concert.



OVERVIEW OF BUDGETING

- The concept of a budget is essentially a plan for the money you expect to receive and the money you expect to spend. While it might sound funny to create a plan without exact numbers, budgets help to ensure money is not overspent and aids in the practice of saving money. Although estimation accounts for a large portion of the budget, people who budget their money are typically more financially stable than those who do not. This is also true when organizing and planning for an event, such as the concert on campus. Generally, the purpose of hosting a fundraiser or event is to generate funds. It is imperative to create a budget that will distribute funds wisely and maximize profits.
- When creating a budget, you must estimate your expected income and expenses. Income can simply be defined as the money received. Ticket sales and sponsorships typically account for the largest portion of event income. However, designing your event to generate income in multiple ways is wise, especially for events intended to raise funds. This can be accomplished through selling t-shirts, offering vendor rental space and concessions.



WHAT YOU NEED TO KNOW...

Designing an event to generate income in multiple ways is wise, especially for events intended to raise funds. This can be accomplished through selling t-shirts, offering vendor rental space and concessions. These are only a few options. Be creative when discussing ways to increase income. Expenses, or expenditures, can be simply defined as money spent. Expenses cannot be avoided when hosting an event. However, they can be minimized greatly through strategic planning. Some businesses may be willing to donate items or offer a discount in exchange for advertisement. A good sales pitch will go a long way. It is important to remember, when hosting an event, it is not uncommon to run into hidden or unexpected expenses. A good budget will allow for unexpected expenses and ensure financial success of the event. *Life Application: Plan for the unexpected. Unfortunate circumstances will occur, and you will be glad you did.*

Once your budget is complete, the budgeting process is not finished. Updating and adjusting your budget on a regular basis would allow for more accurate assessment of your goal achievement progress.



BELL RINGER

WHAT IS AN EXAMPLE OF AN
EXPENSE?



ACTIVITY -

(FOR EACH ACTIVITY, WRITE YOUR RESPONSE IN A JOURNAL OR DOC).

Understand the concept and importance of budgeting.

Budgeting is a concept that is beneficial to all individuals in every socio-economic class. Whether you make millions of dollars in income or barely make enough to cover basic expenses, a budget is crucial to financial success. Students can learn the importance of budgeting by reading about well-known celebrities who follow basic budgeting tips although they are worth millions of dollars.

- Using Handout 1: [KWL Chart](#).
- Read the following article and complete the KWL Chart regarding celebrity budgeting habits.
“10 Cheap & Frugal Celebrities – Lessons You Can Learn About Money” by Jacqueline Curtis

<http://www.moneycrashers.com/cheap-frugal-celebrities/>