

IV. A Town's Money: Where Does It Come From? Where Does It Go?

WHAT?

Students will identify sources of revenues and expenditures of towns. They will examine their own town's budget.

WHY?

- To identify ways towns gain revenue
- To determine the most common sources of revenue among towns
- To analyze various types of revenue sources for a town.
- To analyze various types of expenditures for a town
- To examine components of a town's budget
- To identify some of the specific revenues and expenditures of the students' town

Texas Essential Knowledge and Skills addressed in this lesson:

Economics

- Understand how budgets allocate money for spending

Government

- Understand the purpose of governments
- Understand the basic structure and functions of local government
- Understand how local government services are financed

Social Studies Skills

- Apply critical-thinking skills to organize and use information acquired from a variety of sources
- Analyze information from a graph
- Communicate in oral, written, and visual forms

TAKS:

- Objective 3: Economic and Social Influences on Historical Issues and Events
- Objective 4: Political Influences on Historical Issues and Events
- Objective 5: Critical-Thinking Skills

HOW?

Materials needed:

- Handout titled “How Towns Get their Money”
- Handout titled “Where Shady Hollow Gets Money to Help Their Town Be a Good Place for People to Live”
- Handout titled “What Do You Think Shady Hollow Spends Money for?”
- Handout titled “Test Your Revenue Knowledge”
- Make a transparency of a copy of a budget summary of the students’ town. If this is unattainable, secure a copy of another town’s budget summary from the Internet. Two possible sites include: Huntsville, Texas: www.ci.huntsville.tx.us and Brownwood, Texas: www.ci.brownwood.tx.us/admin/finance/gfexpdet.htm

Suggested teaching time: 1 class period

Suggested Procedures:

1. Ask the students what they think a town might spend money on. Discuss their answers.
2. Ask the students how they think a town gets money. Discuss their answers.
3. Group students. Give each group copies of the handout titled “How Towns Get their Money.” Have students read the handout, restate, and summarize the handout’s contents. Discuss the contents as a class. Determine if the students need clarification of any of the definitions.
4. Give students a copy of the handout titled “Where Shady Hollow Gets Money to Help Their Town Be a Good Place to Live.”
5. Explain that Shady Hollow is a pretend town, but that its budget represented on the graph is typical of the various ways towns get their money.
6. In their groups, students complete the ranking of the revenue categories.
7. Discuss why some of the categories would bring more money to the town than others.
8. In their groups, students complete the handout titled “What Do You Think Shady Hollow Spends Money for?”
9. Conduct a class discussion with each group reporting one expenditure item at a time. Record their ideas on the chalkboard. Some of their ideas could include supporting police and fire departments, street repair, salaries for town employees, parks and recreational places, traffic lights, libraries, making new streets, equipment for city offices, vehicles for city use, fine arts projects, shelters for the homeless, and building maintenance.
10. Show a transparency of a budget summary of the students’ town. Some towns have pie graphs of their revenues and expenditures. Other towns have a list. Simplify the document by highlighting categories and items the students have seen on the revenue handouts and generated in their expenditure lists.
11. Conclude the lesson by discussing why towns need money, how the money comes from the people, and how towns spend money to enhance the quality of life for the people of a town.

Evaluation: Individually, students complete the handout titled “Test Your Revenue Knowledge Using the pie graph on the handout titled “Where Shady Hollow Gets Money to Help Their Town Be a Good Place to Live.” If you feel it is appropriate, allow students to also refer to the handout titled “How Towns Get Their Money.”