



- JANUARY**  
*Makugiton*
- FEBRUARY**  
*Mahiguagaon*
- MARCH**  
*Matinabungan*
- APRIL**  
*Matinahuron*
- MAY**  
*Mahapsay og Malimpyo*
- JUNE**  
*Maabtik og Masurod sa  
Dsuksong Oras*
- JULY**  
*Maantigo og Maabilidad*
- AUGUST**  
*Maginhuhunon  
para sa Ubon*
- SEPTEMBER**  
*Madaginton*
- OCTOBER**  
*Matinud-anon*
- NOVEMBER**  
*Masaligan*
- DECEMBER**  
*Maalampon*

# Technology and Livelihood Education

## Quarter 2 – Module 3: Home Economics



Name of Learner: \_\_\_\_\_

Grade & Section: \_\_\_\_\_

Name of School: \_\_\_\_\_

**TLE – Grade 6**  
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**Quarter 2 – Module 3: Allocation of Budget For Basic and Social Needs**  
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## ***What I Need to Know***

This module was designed and written with you in mind. It is here to help you allocate budget for basic and social needs and how to manage family resources efficiently. The scope of this module permits it to be used in many different learning situations. The language used recognizes the diverse vocabulary level of students. The lessons are arranged to follow the standard sequence of the course.

This lesson will expand your knowledge in managing the income means allocating it wisely for the basic needs, education, leisure activities, and comfortable lifestyle of the family. Managing can be done by budgeting.

After going through this module, you are expected to:

- a. Define budget
- b. Enumerate the element of the family budget
- c. Allocate a budget for basic and social needs
- d. Manage family resources efficiently
- e. Discuss the factors affecting family budget
- f. Prioritize needs over wants



## ***What I Know***

Directions: Choose the letter of the best answer. Write your answer on a separate sheet of paper.

1. What of the following statement is TRUE?
  - a. The size of the family may affect the budget.
  - b. The more the family members are there, the bigger amount of income.
  - c. The higher the income of the family, the greater the amount can be spent.
  - d. All of the above
2. Why is there a need to budget the income of the family?
  - a. To be able to sustain the needs of the family.
  - b. Buy what you need not what you want
  - c. To be able to buy more clothes.
  - d. To be able to eat every weekend in the restaurant.
3. Basic needs include food, shelter, clothing and \_\_\_\_\_.
  - a. appreciation
  - b. security
  - c. budget
  - d. experience
4. What factors affect the family budget?
  - a. Buying unimportant things
  - b. Save more, spend less
  - c. Family outing
  - d. All of these
5. Why do families need to balance the budget?
  - a. So they can buy their wants if they have extra savings.

- b. So that resources are distributed fairly among the many needs of the family.
- c. So that there will be more budget for their rest and recreation.
- d. So that they can send their children to expensive schools

How can you help in managing the resources of your family? Put a check on the blank before each number.

- \_\_\_\_\_ 1. I save my daily allowance for future use.
- \_\_\_\_\_ 2. I buy only the things which are needed and within the allotted budget.
- \_\_\_\_\_ 3. I always wash my hands before and after eating to avoid sickness.
- \_\_\_\_\_ 4. I switch for the lights, TV, and electric fan if it is not being used.
- \_\_\_\_\_ 5. I find some income-generating activities like selling bottles of catsup, soy sauce, old newspaper, etc., in a junk shop.

## **Lesson**

# **1**

## **ALLOCATION OF BUDGET FOR BASIC AND SOCIAL NEEDS**

Like any group of organizations, the family needs money to sustain its growth and to achieve its goal. Hence, the family strives to raise money through various means. Family finance refers to the management of income and expenses that affect the family. So there are two things that are important when we speak of family finance, these are income and expense.

Income refers to the monetary payment received by family members for the goods and services rendered. Usually, the income of the family comes from employment and/or profit from a business or commission like in selling real state or selling beauty products.

Expense, on the other hand, refers to the money paid by the family for the goods and services that they get.

With the growing economic crisis, you must master the art of budgeting your income and expenses to minimize its impact on you and your family.



## ***What's In***

Managing the income means allocating it wisely for the basic needs, education, leisure activities, and the comfortable lifestyle of the family. Managing can be done by budgeting. You should also know how to manage your family resources aside from knowing the components of a budget.

Managing the family income includes balancing the budget so that the resources are distributed fairly among the many needs of the family. All members of the family must feel responsible for managing family resources. Each must strive to meet the needs of the family. If needs are not met, each must abide by the family's decision, feel contented, and make a sacrifice for the sake of the family.



## ***What's New***

A budget is a plan of how one will allocate or distribute the family income or available money.

How important is the budget?

The budget is important because it allows you to allocate money based on well-planned needs. The budget likewise shows where the money was spent.

### Components or elements of Family Budget

- Food- groceries, raw and cooked food, staples, condiments, and spices
- Shelter- if not renting, includes taxes, repair, and maintenance
- Clothing- uniforms, clothes, and accessories
- Education- tuition fees, books, transportation allowance of children
- Household operations- things needed in the house, beddings, curtains, furniture, and other paraphernalia to make members comfortable.
- Utilities- electric, water, and telephone bills, gas salaries of helpers

- Health- medicine, check-up
- Recreation- family outings, outside dining, watching movies
- Savings-the amount set aside or deposited in the bank

### Allocation of the Family Budget

A family budget may differ from one family size and composition, family values, and standards of living.

Some families may spend more on food, others on clothing, and still others on education.

### Sample of Monthly Budget

**Monthly Income: ₱25,000**

**Family Members: 4**

ITEM	% of Budget Allotted	Amount
food	40	10,000.00
education	16	4,000.00
shelter	15	3,750.00
utilities	12	3,000.00
Household operations	6	1,500.00
clothing	3	750.00
recreation	3	750.00
savings	5	1,250.00
Total	100	25,000.00

- Income is the money that flows into the family to be used in exchange for goods, services, or energy.
- The income of the family comes from the salary, commission, bonus, business profit, or lease of property,
- The budget is a plan of how one will allocate or distribute the family income or available money.

Remember:  $\text{Income} - \text{Expenses} = \text{Savings}$   
How to manage family resources efficiently

- Inform all the members of the family about the budget.
- Make adjustments to your budget as necessary. Keep within the amount allocated for budget items.
- Buy only things that are needed.
- Schedule your expenses.
- Follow a shopping and marketing schedule.
- Avoid making unscheduled, unplanned purchases, especially at a store you are not familiar with.
- Teach the children to spend their allowance wisely.

- Conserve energy and other utilities.
- Recycle or reuse materials.
- Repair appliances and furniture as needed.
- Take good care of your belongings.
- Buy products that are good quality and reasonable price.
- Develop the habit of walking short distances.

### **Factors affecting the family budget**

1. Amount of income- the higher the income of the family, the greater the amount that the family members can spend on their needs and wants. But the greater the income, the more savings the family can have for the future. On the other hand, the smaller the income of a family, the more it needs to spend on what is most important and immediate needs, food, shelter, clothing, education, and utilities are some of the immediate needs of most families today.

2. Size and composition of the family- the more family members are there, the bigger amount of income is spent on food, schooling, clothing, and for their other basic needs. Also, when family members are still young and growing up, the more expenses are needed for their food, health, and medical expenses, clothing, and other basic needs.

3. Values of the family- different families and different individuals have different values, so they have different priorities on how to spend their money.

4. The needs and wants of the family- needs are materials that the family members need to survive on a day to day basis. Food, shelter, and clothing are basic needs. Today, however, education, transportation, lights, and water are also considered needs. Wants, on the other hand, are materials that the family desire to have. They can postpone if the budget is not enough, but they can purchase if the budget allows it. Jewelry, new dresses, cell phones, and other electronic gadgets, appliances, and cars are some of the wants most families would like to buy.

### **Needs and Wants**

Our needs and wants to motivate us to work hard. They encourage and inspire us to get involved in productive endeavors that will help our families live better.

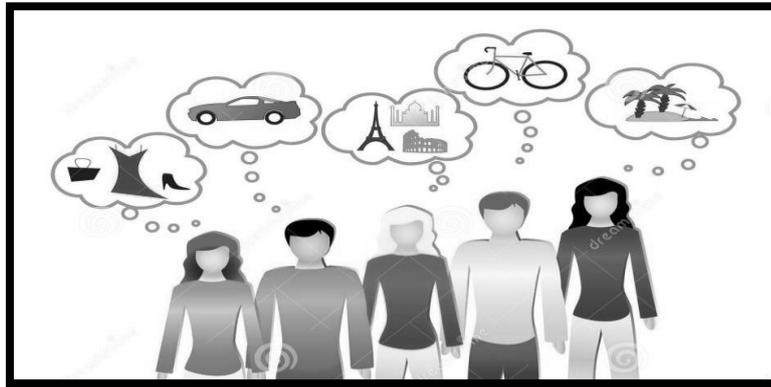
It is important for family members to distinguish clearly their needs from their wants. In family budgeting, we must prioritize our needs and not wants.



## ***What Is It***

Every member must also know how family income is budgeted. Through budgeting, family members learn to spend money wisely, thus, saving money which could be used for other family needs.

There are great benefits when the whole family is involved in managing its own resources by checking and counterchecking the progress in planning and management implementation. It enhances unity and cooperation among family members.



You should also know how to manage your family resources aside from knowing the components of a budget. Knowing how to make the most of available resources is a characteristic of a good home manager. Managing the family income includes balancing the budget so that resources are distributed fairly among the many needs of the family.



## ***What's More***

Directions: Choose the letter of the best answer. Write the chosen letter on a separate sheet of paper.

1. Why do families need to balance the budget?
  - a. So that they can buy their wants if they have extra savings.
  - b. So that resources are distributed fairly among the many needs of the family.
  - c. So that there will be more budget for their rest and recreation.
  - d. So that they can send their children to expensive schools.
  
2. How should a family manage their resources aside from knowing the components of a budget?
  - a. They should know how to make the most of the available resources
  - b. They should buy a lot of food and store it for future use.

- c. They should buy cheap and instant foods instead of nutritious foods to save more money.
  - d. They should bring sick family members to a quack doctor than to expensive specialists.
3. Is it practical to invest some of the family's savings to other businesses?
- a. Yes, but make sure that the business they are going to invest in is NOT a scam.
  - b. Yes, because investing makes us famous and rich.
  - c. No, because it will be risky.
  - d. No, because businesses can be bankrupt.
4. How can a family manage its resources efficiently?
- a. Invest in all kinds of businesses.
  - b. Deposit all their income in the bank
  - c. Invest their money, mostly on their wants.
  - d. Set family guidelines in managing family resources.
5. In what way does the involvement of the whole family in managing the resources beneficial?
- a. It enhances unity and cooperation among family members.
  - b. It enhances the mathematical abilities of the members.
  - c. It enables the members to tell what clothes they want to buy.
  - d. It enhances the role of the head of the family.



## ***What I Have Learned***

1. What is income? Budget?

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2. Why do we need to budget the income of the family?

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3. What are the basic considerations in making a family budget?

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## ***What I Can Do***

Practical Activity:

Ask your parents how much is their total income for the month. By following the given percentage on the table given above, make a monthly family budget. Write it in your notebook.

<p>My Monthly Family Budget</p>
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## ***Assessment***

Let's see how much you learned today!

Directions: Read the question carefully and write the letter of the correct answer on a separate sheet of paper.

1. You need to eat every day, so this element gets the biggest share in the allocation of your family income.
  - a. clothing
  - b. food
  - c. shelter
  - d. education
2. It refers to the monetary payment received for the goods and services rendered.
  - a. income
  - b. expense
  - c. budget
  - d. needs
3. Which of the following statements is TRUE?
  - a. In family budgeting, prioritize wants and not are needs.
  - b. A budget is a plan of how one will allocate or distribute the family income or available money.
  - c. Managing income means spending it more every day.

- d. Spend your allowance with your friends.
- 4. All are elements of family budget EXCEPT?
  - a. savings
  - b. clothing
  - c. utility
  - d. wants
- 5. How can you help in the effective implementation of your family budget?
  - a. Save part of my daily allowance for future use.
  - b. Buy things that I want.
  - c. Go out every weekend.
  - d. I always eat fast food chains.



## ***Additional Activities***

Directions: Answer the following questions. Write your answer in your notebook.

1. How can we manage family resources efficiently?

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2. Differentiate needs from wants and give examples.

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3. What are the basic needs of man?

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## ***Answer Key***

**Assessment**

1. B
2. A
3. B
4. D
5. A

**What's More**

1. A
2. A
3. A
4. D
5. A

**What I Know**

1. D
2. A
3. C
4. D
5. B

## References

“The Importance of a Family Budget,” Lee Frances Emery last modified October 26, 2009, <https://discover.hubpages.com/money/The-Importance-of-a-Family-Budget>