

## Money & Me Educator's Lesson Guide

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<b>Title:</b>	Planning for Success
<b>Goals:</b>	Students will better be able to: <ul style="list-style-type: none"><li>- Understand the importance of financial planning</li><li>- Identify how money is used: spending, saving, investing, and donating</li><li>- Create personal financial SMART goals</li><li>- Understand the budgeting process</li><li>- Identify various sources of income and types of expenses</li><li>- Explain how to build a budget</li></ul>
<b>Equipment: (same for each day)</b>	Laptop/computer LCD projector Screen DVD player TV (if computer can't support video) Flip chart paper Markers
<b>Summary:</b>	After completing this unit, students will be aware of and be given the basic skills to plan for their financial futures.

### DAY 1

#### **Part 1**

**8:30-9:00 (30 minutes)**

Welcome Students

Check them off registration list. Distribute table tents (in JA Kit) and appropriate credit union promotional items. Ask students to write their name on a table tent. Offer them breakfast.

Introductions (by sponsoring credit union staff and instructor)

Ask each student to introduce themselves: name, grade (as of September) and school.

After preliminary introductions, begin the **Getting-to-Know-You Activity**

Ask participants to find a partner (preferably someone in the room they don't know)

Each team has 5 minutes to learn a few things about each other such as school activities, siblings, where they live, plans for college, what they want to become, *why they are taking Money & Me course and one thing they hope to learn.* etc.)

When the time is up each person will have 30 seconds to tell the group what they learned about their partner.

**Distribute Money & Me Student Survey – Pre-class and ask students to complete. Collect surveys.**

**Brief overview** of the week's schedule

- Day 1: Planning for Success (financial planning and budgeting)
- Day 2: Managing Your Money (checking and savings accounts, debit cards)
- Day 3: Keys to Investing (types of investments)
- Day 4: Using Credit Wisely (credit, debt, ID theft)
- Day 5: Behind the Wheel (buying a car/insurance)

Explain that the start of each day will include a brief overview of what was accomplished the previous day. I will ask one of you at the end of the day today to provide the morning summary.

**Handout the NEFE HSFPF Student Guides.** Explain that most of the Money & Me program is taken from the NEFE HSFPF and that you will go through most, but not all, of the guide. These are for the students to keep. Encourage them to read it on their own.

Discuss housekeeping issues restrooms, exits, etc.

Review today's goals

**\*Distribute JA pre-test and ask students to complete. Collect tests.**

**Part 2-FINANCIAL PLANNING-** NEFE HSFPF Unit 1  
**9:00-9:45 (45 minutes)**

Begin this lesson by getting the students to think about how much money they might earn in their lifetime. Use the flip chart or white board to demonstrate one or more of these examples.

- Example #1
- # years in workforce: 55 (age 16-70)
- Average salary: \$60,000
- Total gross income = \$3,300,000
  
- Example #2
- # years in workforce: 46 (age 22-67)
- Average salary: \$45,000
- Total gross income = \$2,070,000

*(Did you ever think you might manage millions of dollars during your lifetime?)*

Begin instruction on Financial Planning

Note: The PowerPoint (PPT) presentation for NEFE HSFPF Unit 1 has been modified to fit this program. As a result, some slides were deleted, but the slides were NOT relabeled. This way you are able to correlate with the correct slide when referencing the NEFE HSFPF Instructor's Manual (IM) for more information.

PPT 1-A - **Ask** the students what they think is meant by the quote: "Most people don't plan to fail. They simply fail to plan." introduce PPT 1-B [IM p. 11; Student Guide (SG) p. 3]

What do you think? Pg 2 SM

### **Financial Planning Process Steps Group Activity – Phase I- Pre-lesson**

Split class into two teams A & B

Handout **Financial Planning Process Cards**

Ask them to write A or B as appropriate on their cards

Instruct each team to arrange the cards in the correct order of the financial planning process

Ask them to write the order number on each card

Then ask 5 members of each team to come up front and line up in order

See if there are differences between each teams' order

Collect cards and set aside until the end of this part of the lesson

**Describe Financial Planning pg 3 SM** Read &/or share PPT slides 2-3

### **Financial Planning Process Steps Group Activity – Phase II**

Ask team members to come up front again and line up with cards based on their original order of the Financial Planning Process. How did each team do? Ask members to rearrange themselves so that they are now in the correct order.

### ***Biz Kid\$-VIDEO***

State that the students will watch a ½ hour episode of *Biz Kid\$*, followed by a group activity (optional). You may decide to only show a segment or two instead of the entire ½ hour episode with this or any of the other *Biz Kid\$* DVDs.

Explain that *Biz Kid\$* is a program to help people become financially educated, learn work-readiness skills, and even to become entrepreneurs...*Biz Kid\$!* They may be able to see the program at home on their local PBS station and sign up for a free e-newsletter and other fun stuff online at [www.bizkids.com](http://www.bizkids.com). On the home page of the website, if you enter your zip code, it will list upcoming dates and times the show will be on the air if it is in the station's summer rotation.

The episode you are about to see will present options of spending, saving, investing and donating money. You will see how some Biz Kid\$ set financial goals, and the steps they took to reach those goals. As we watch the program together, think about what your choices might include.

**Play *Biz Kid\$* DVD – #104 What Can You Do with Money – 30 minutes**

### **Spend, Save, Invest, Donate Group Activity (15 minutes)**

Split students into small groups as appropriate for your class size and distribute the **Biz Kid\$ Spending, Saving, Investing, Donating worksheet** to each group.

Instructions:

What would you do with a million dollars? How would you allocate (split up) your money in each of four categories: spending, saving, investing, and donating.

Each group should select a recorder to write their ideas on the worksheet and select a member to present the ideas to the entire class. List what types of things you would spend your money on, what you would save it for, what type of investments you might choose and which organizations you would support.

Allow students time to discuss their ideas on how to use a million dollars. Tell them not to start writing ideas on paper until everyone has had a chance to share their ideas They have 5 minutes to complete this part of the activity.

Before the students make their presentations, demonstrate that you want them to draw a circle on the flip chart and create a pie chart that shows how your group decided to split up it's million dollars. The educator should divide the chart as follows, 40% spending; 20% saving, 20% investing, 10% donating. State that there are no right or wrong answers and the numbers you're using are simply to demonstrate a pie chart.

When the students complete their pie charts, ask them to *highlight some of the items* on their lists.

Each group should present how they would spend the million dollars.

Consider using [www.stopwatchonline.com](http://www.stopwatchonline.com) for help to stay on track with some of the activities

**BREAK 9:45-9:55**

### **Part 3-GOAL SETTING (SMART Goals)**

**9:55-10:40 (45 minutes)**

Have each student write their definition of a "goal". Share some of their responses.

- List one goal you had. Did you achieve it? If you did, how did you feel?
- If you did not achieve it, why not?

#### **Step 1: Goal Setting** (pg 4 SM)

**SMART Goals** pg 3-4-SM share PPT 1-G define the SMART goals acronym, PPT 1-H explain how the criteria help to achieve goals (Share examples on pg 5 SM)

*Complete SM1-2: Assessment of Sample SMART Goals as a class.*

*If you have time ask students to individually complete the following activity. If you are running out of time, ask students to complete the activity at home.*

Lead into PPT 1-D values; PPT 1-E term goals; as a class complete Exercise 1-B: How Long Will It Take? (SG p.5).

PPT 1-F What is *delayed gratification*? Discuss briefly. (IM 13, SG 5)

### **Go for the Goals Activity - Assignment 1-1: My Smart Goals (SG p. 7)**

**Objective:** Students create three SMART **financial goals** for themselves (short-term, intermediate-term, and long-term).

Ask the students to write out three SMART financial goals for themselves. One should be short-term (within 3 months), one intermediate-term (3-12 months), and one long-term (more than 1 year away). Examples could be (these are generic; students should have lots of specifics):

- Save up for a concert 4 weeks away (within 3 months)
- Buy a new bike in 9 months (3-12 months)
- Save for college in 2 years (more than one year)

**Step 2: Analyze Information**-Where does your money go? Spending log pg 8 SM  
Share "Did You Know?" pg 9

**Step 3: Create a Plan** to get to your financial goals (review pg 9-10)

**Step 4: Implement the Plan** (review pg 12 )

**Step 5: Monitor the Plan** (review pg 13)

### **Group Activity- Mock Family Events pg 21 IM**

Wrap up with "Adding it Up" (IM p. 21, SG p.13).

### **BREAK 10:40-10:45**

### **Part 4- BUDGETING- NEFE HSFPF Unit 2**

**10:45-11:25 (40 minutes)**

#### **Define Budget**

PPT Unit 2 Intro Slide – Read aloud: Did You Know? Almost 60% of millionaires use a budget to manage their money. What is a budget or spending plan? Discuss what a budget is (a personal spending and saving plan) and the fact that to have an effective budget, income and spending (expenses) must balance.

Either show PPT 2-A-1 and 2-A-2 or for interactive versions of these slides, open the Excel File for this unit and go to Excel Worksheet 2-A-1 and 2-A-2 (IM p. 40, SG p.16).

This information will help guide the students through Exercise 2A: How Do You Spend Your Money?

PPT 2-B-1, 2-B-2 & 2-B-3; discuss how a budget lays the foundation for smart spending.

#### **\*Needs vs. Wants Activity pg 13 IM**

Ask students to individually complete **Exercise 1A: Needs and Wants: Can I Tell the Difference?** (SG p.4). They can write in their Student Guide. Ask for a few examples and discuss answers.

Review Did You Know? Teen Spending Stats on SG p. 9. Any surprises? Do the students agree or disagree with most of them? (IM p. 17, SG p. 9)  
PPT 1-J, ask questions: what influences your decisions for minor or major purchases?

*Ask students to take out the Personal Spending Log they were asked to complete for one week prior to the start of the Money & Me program (IM p. 16, SG p. 8)*

*PPT 1-I, Using their spending charts ask students how much they spent in the week recorded? If they didn't complete a spending chart, ask them to estimate how much they spent last week and fill in Assignment 1-3: My Personal Spending Log. Briefly discuss how they got money (job, allowance, gift, etc.) and what type of things they spent their money on.*

### **Income**

Using flip charts write the word “**Income**” and ask students for types of income (Passive vs. Earned)

**Ask** how many students have a part time job. Where do they work? Were you surprised at the actual amount of your first paycheck? Did/has anyone gone over payroll deductions with you?

**Ask students to work in pairs to complete SM2-3: Analyzing a Pay Stub**  
(Gross pay vs. Net pay, types of deductions)

### **Expenses**

On another sheet of paper write the word “expenses” and ask students for types of expenses; this will lead you into PPT 2-C, Fixed, Variable or Periodic Expenses (IM p. 43, SG p. 19)  
PPT 2-D-1, the most important expense: P.Y.F.

**or**

**Jot Thoughts Activity** (in pairs or groups)- Types of Expenses

You will need post it notes or slips of paper. Students will write as many “expenses” as they can one expense per piece of paper. Each slip of paper is place in the center of the table as the group tries to cover the table. At the end of the time allotted- review what each other wrote. Pull off any repeats.

Next-share out with the whole group and then decide all together if the expense is Fixed or Variable. Then put the post it notes on the class chart in the proper category.

PPT 2-E and PPT 2-F, as a class, go through The 411 on Creating a Budget and Building a Budget (IM p. 46, SG p. 22)

Read Did You Know? Pg 20 SM

**Additional resources:**

- Rework a budget activity
- Biz Kid\$- Budget DVD
- Brass Magazine- Summer 2011- "Fly the Coop" [www.brassmagazine.com](http://www.brassmagazine.com)  
November 2007-"Budget Building"

**BREAK      11:25-11:35**

**Part 5**

**11:35-Noon**

**JA Group Activity**

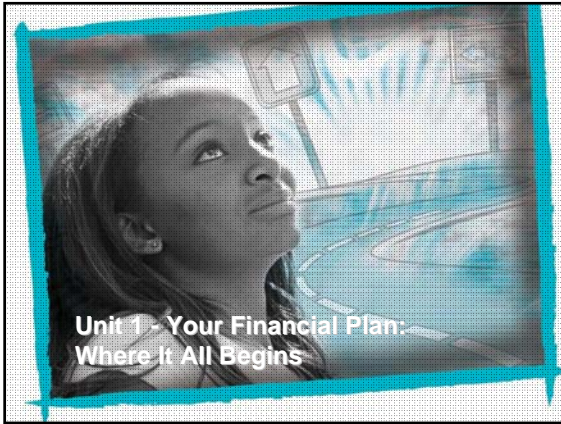
Balance, Break Even or Broke Game

Refer to JA Personal Finance Guide for Volunteers and Teachers

Session One: A Month in the Life (pp. 11-12, Activity beginning near end of page with "Separate class into..." Game Instructions, Summary and Review)

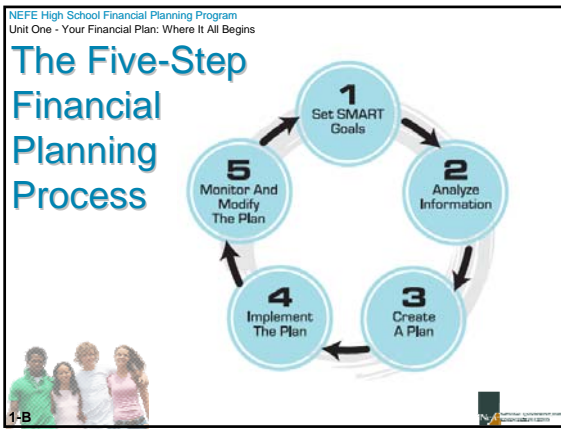
**Preparation for Day 2**

Before you leave, which one of you is willing to give tomorrow morning's summary of what we did together today? Record name of volunteer.



NEFE High School Financial Planning Program  
Unit One - Your Financial Plan: Where It All Begins

***“Most people don’t plan to fail...  
They simply fail to plan!”***



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- ### Sample Wants and Needs
- | NEEDS                              | WANTS        |
|------------------------------------|--------------|
| • Food for breakfast               | • iPod       |
| • Clothes for school               | • Cell Phone |
| • Transportation to school or work | • Sports Car |
| • _____                            | • _____      |
| • _____                            | • _____      |
- 


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- ### Values
- Getting a good education
  - Religious faith or beliefs
  - Social causes
  - Handling money responsibly
  - Friendships
  - \_\_\_\_\_
  - \_\_\_\_\_
- 

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- ### Term Goals
- **SHORT-TERM GOALS**  
– *Within three months*
  - **INTERMEDIATE-TERM GOALS**  
– *Three months to a year*
  - **LONG-TERM GOALS**  
– *More than a year*
-

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## What is Delayed Gratification?

- Saving money over time to make a major purchase.
- Waiting to buy a new product until the price goes down.
- Waiting to see the latest movie until the crowds get smaller and the lines shorter.
- \_\_\_\_\_




1-F

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## S-M-A-R-T GOAL CRITERIA

**S**pecific  
**M**easurable  
**A**ttainable  
**R**ealistic  
**T**ime-Limited



1-G

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## SMART Goals

**S**pecific..... *"Pay for lodging, transportation, meals for a 5-day trip to Washington, D.C."*

**M**easurable... *"\$300 through fundraising, \$50 from birthday money, save \$25 a week."*

**A**ttainable..... *"If I stick to my plan, I'll have the money when I need it."*

**R**ealistic..... *"I still have enough money to live on while I work toward this goal."*

**T**ime-Limited.. *"I need to have all the money by 6 months from now."*



1-H

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Unit One - Your Financial Plan: Where It All Begins

## Spending Record

**Assignment 1-3: My Personal Spending Log**  
Track your spending for a week, and assess how your spending matches your financial goals. Try to fill in the table for the last seven days. If you can't remember every dollar you spent or received, that's OK. Just do the best you can.

Week of	INCOME + \$	SPENDING - \$
Sunday		\$6.00
Monday	\$35.00	\$4.00
Tuesday		\$7.00
Wednesday		
Thursday	\$5.00	\$8.00
Friday		\$15.00
Saturday	\$15.00	
<b>Totals</b>	<b>\$55.00</b>	<b>\$40.00</b>
<b>Difference (A minus B)</b>	<b>\$15.00</b>	

But from now on, log your income and purchases on a daily basis. We'll make use of this information later in Unit 2. Finally, compare your entries to how teens on average spend their money.



1-I

**Age** **Factors That Affect**  
**Wants** **Decision Making** **Needs**

## What about you?

**Family** **Time** **Culture** **Society**  
**Money** **Motivation**  
**Values** **Education**  
**Habits** **Attitudes**




1-J


NEFE High School Financial Planning Program  
Unit One - Your Financial Plan: Where It All Begins

## Decision Making and Financial Planning

### The Decision-Making Process



### The Financial Planning Process



1-L

**Unit 2 - Budgeting: Making the Most of Your Money**

**Did You Know?**  
 Almost 60 percent of millionaires use a budget to manage their money.  
 — The Millionaire Next Door: The Surprising Secrets of America's Wealthy.

NEFE High School Financial Planning Program  
 Unit Two – Budgeting: Making the Most of Your Money

**HOW DO YOU SPEND YOUR MONEY ?**

\$100	Snacks	27%
\$75	Food	20%
\$45	Sports	12%
\$36	Car Insurance	10%
\$35	Clothes	9%
\$49	Music	12%
\$25	Savings	7%
\$11	Entertainment	3%
\$373		100%

Enter data in these fields

2-A-1

NEFE High School Financial Planning Program  
 Unit Two – Budgeting: Making the Most of Your Money

**SAMPLE HOUSEHOLD BUDGET**

\$1,400	Mortgage	40%
\$500	Groceries	14%
\$500	Automobile	14%
\$350	Savings	10%
\$300	Entertainment	9%
\$200	Insurance	6%
\$150	Electric	4%
\$100	Gas	3%
\$3,500		100%

2-A-2

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 Unit One - Your Financial Plan: Where It All Begins

**Reasons for a Spending Plan**

- ...Helps you determine where you are spending your money currently.
- ...Helps you decide where to spend your money in the future.
- ...You have an organized way to save for things that cost more.
- ...Puts you in control of your financial future, beginning NOW.

2-B-1

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 Unit One - Your Financial Plan: Where It All Begins

**People Without a Budget...**

- ...Are less likely to know what they have.
- ...Have no plan, often coming up short before their next paycheck or allowance.
- ...Are almost certain to have no plan to save for more expensive spending goals.

2-B-2

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**Questions**

- Does it make sense to create and live within a budget when you don't have a lot of money?
- What if you find that you are consistently spending more in one area than you had planned to?
- What if you find that you can't live within your budget?

2-B-3

FIXED, VARIABLE, OR PERIODIC?			
Expense	Fixed	Variable	Periodic
Loan Payment	X		
Electric Bill		X	
Twice-yearly Insurance Payment			X
???			
???			



2-C

## PAY YOUR\$ELF FIRST!

**S**etting aside money for "big ticket items"

**A**voids borrowing, which costs you a lot! It's a

**V**ery wise thing to do, because

**E**very time you pay yourself first, you are developing a **saving habit** that leaves you with more money to spend later on for things that are really important to you!



2-D-1.

### Personal Spending/Savings Plan One Week

## Personal Plan for One Week

<b>Income (after taxes)</b>	
Part-Time Job	\$125.00
Allowance	15.00
<b>Total Income</b>	<b>\$140.00</b>
<b>Savings and Spending</b>	
Savings (PYF)	\$20.00
Food	11.00
Clothing	14.50
Entertainment	10.00
Gifts and Contributions	16.50
Transportation	33.00
Miscellaneous	15.00
<b>Total Savings &amp; Spending</b>	<b>\$120.00</b>

Income	\$140.00
Savings and Spending	\$120.00
Balance	\$20.00



2-E

## How to Build a Budget

1. Decide on a time frame for tracking expenses (week, two weeks, month).
2. List all money you have coming in (income).
3. Make categories for all expenses.
4. Subtract total expenses from income.
5. Study your budget and your financial plan to make sure it fits with your plans and goals.



2-F

1 | 2 | 3 | 4 | 5