

OVERVIEW

Once you've developed your plan, you're ready to put it into practice. No one else can do that for you. Of course, knowing what you should do doesn't mean that actually doing it will be easy. The good news: We have tips and strategies to help you get rolling.

The basics of maximizing your money comes down to cash flow—the money flowing into your pockets as income and flowing out as expenses and debt. It doesn't matter who you are or how much money you have, maintaining a balanced cash flow is crucial.

This lesson will help you set up strategies to maintain a positive cash flow.

LEARNING OUTCOMES

In this lesson students will set up strategies to maintain a positive cash flow. Along the way they will:

- Identify how to plug spending leaks.
- List strategies to stick to a spending plan.
- Discuss ways to be prepared for unexpected money events.

Students will use what they learn to develop strategies to control their spending.

PREPARATION

- Order a Module 1 Student Guide for each student. The Guide can also be downloaded to view from the HSFPP website or copied to distribute to student.
- Preview the lesson PowerPoint presentation, learning tasks, and Module 1 Student Guide, particularly pages 31-40.
- Print or download the Student Learning Plan for this lesson so each student has a copy.
- Gather supplies for the opening Learning Task (Money Flow letter).

WHAT YOU WILL NEED

- Module 1 Student Guide (pages 31-40)
- PowerPoint Presentation 1-5
- Student Learning Plan 1-5
- Money Flow letter (opening task)
- Large glass with water, smaller empty glass, towel or saucer (opening task)
- (optional) Index cards (Task 4)
- Money Management Self-Assessment (Task 6)
- Activity 1.9: My Income Options
- Activity 1.10: My Spending Leaks
- Challenge 1-D My Action Plan (Performance Assessment)

NOTES:

Approximate time: 45 minutes (minimum) - 90 minutes (with extension activities)

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p>PROCEDURE ESTIMATED TIME: 5 minutes</p> <p><input type="checkbox"/> Ask for a student volunteer to read the Money Flow letter. As the story is being read to the class, pour water from the pitcher into the glass whenever the story involves income (adding to the balance). When the story involves spending money, pour water out of the mug. It’s possible that the mug or glass will be empty at some point in the story which represents zero cash balance.</p> <p><input type="checkbox"/> Debrief with the students to explain how the water represents “cash flow.” Ask the students to think about times when their own glasses were empty (or overflowing). Point out that even with careful planning, students will encounter unexpected events that will impact their cash flow at very inconvenient times. There may be times when students have a windfall or extra money.</p> <p><input type="checkbox"/> Transition into the lesson by telling the students that they will learn about tips for what they might do when cash flow is abundant as well as how they can reduce the risk of low or no cash flow. Preview the Learning Outcomes in the Student Learning Plan. By the end of this lesson, the students should be able to identify strategies they will apply to control their spending.</p>	<p>Module 1 Student Guide</p> <p>Student Learning Plan 1-5</p> <p>SLIDES 1 – Cash Flow 2 – Preview</p> <p>ACTIVITY Money Flow letter</p>
<p>1. Complete Activity 1.9: My Income Options to brainstorm ways to increase your cash flow.</p>	<p>PROCEDURE TIME: 5 min.</p> <p><input type="checkbox"/> Read the Staying on Course tips on pages 32-33.</p> <p><input type="checkbox"/> [Slide 3] Introduce ways for students to adjust their income or expenses so their spending plan more closely matches their actual spending and planning.</p> <p><input type="checkbox"/> [Slide 4] As a lead-in to Activity 1.9: My Income Options, provide suggestions for how students can increase their cash other than getting a job with more pay or increasing how many hours they work.</p>	<p>STUDENT GUIDE Pages 32-34</p> <p>SLIDES 3 – Is your plan working? 4 – Get a Bigger Bucket</p> <p>ACTIVITY Activity 1.9: My Income Options</p>
<p>2. Michael has a spending leak—he gets a parking ticket at school at least once a month. What are your spending leaks?</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> Ask students to think about their biggest spending weakness. Arrange students in pairs to share their responses. As time allows, have the students document the total number of students represented within each category.</p> <p>[OPTIONAL: If students completed the Values and Spending Survey from Lesson 1-1, see how the categories align with students’ money values.]</p>	<p>STUDENT GUIDE Pages 35-37</p> <p>SLIDES 5 – Plug Your Spending Leaks 6 – Who’s in Control?</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> [Slide 5] Point out examples of unplanned expenses (spending leaks) that the students might not have shared.</p> <p>Common Money Leaks:</p> <p><u>Slow and steady drips.</u> Sure, it's "only" fifty cents or \$30, but when it's every day or every week, those little purchases add up fast!</p> <p><u>Laziness penalties.</u> These could be late fees on library books or bills, frequent ATM fees, parking tickets or buying something you left at home. Basically, if you had planned your money or time better, you wouldn't have had to pay for them</p> <p><u>Needless things.</u> Books or magazine subscriptions you never read. Membership to a gym you never go to, clothes you've never worn. DVD's you haven't unwrapped. If it's been sitting there unopened, unworn, or unused for 30 days, did you really need it?</p> <p><u>Carelessness fines.</u> Speeding tickets. Replacing lost sunglasses or fixing a computer you spilled water on. Fees for going over your credit card limit. Again, these are all preventable expenses that drain your wallet while doing nothing to improve your life.</p> <p><u>Pity purchases.</u> You were feeling blue so you went on a little splurge—crazy to cheer yourself up. But you don't feel quite as happy when you see your bank statement or empty wallet afterward.</p> <p><u>Impulsive buys.</u> It didn't work or didn't last. You found it later a lot cheaper. Or, you got home and realized you'd already bought one. These are the purchases you regret not doing your homework on.</p> <p><input type="checkbox"/> [Slide 6] Ask the students to think about how they would answer the control questions. Introduce the 3 R's as a way for them to take control over their cash flow.</p> <p><u>Face the reality of the current, actual situation.</u> Prices for services increase, people won't keep the same job forever, an illness or injury might prevent someone from working either temporarily or permanently, increases in family size will bring on more expenses. An emergency fund can help relieve financial stress when unexpected events occur. Creating a spending plan using actual earning amounts is better than planning for the job raise that might not happen. Knowing that businesses increase their fees over time, such as phone costs and utility fees, is a reason to leave room in the plan to be able to adjust non-essential expenses.</p> <p><u>Accept responsibility for your own spending and saving actions.</u> As you learn strategies to manage your cash flow, use them to take charge of how you use your money.</p> <p><u>Show restraint when tempted to stray from your values or spending plan.</u> Have a plan and stick to the plan.</p>	

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<input type="checkbox"/> Read pages 36-37 and discuss 7 Ways to Strike Back with strategies to make money go further.	
<p>3. Complete Activity 1.10: My Spending Leaks to consider how you can change your habits.</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> [Slide 7] Introduce students to strategies they might use to keep track of their income and spending. One strategy doesn't work for all people so students will want to consider what they think best fits their lifestyle. Ask students to share any strategies they already use to keep track of their spending.</p> <p><input type="checkbox"/> [Slide 8] Review the Stop Drop and Think Before You Buy test questions in the Appendix on page 40. Recommend that they use the questions when they are considering a purchase, particularly for something that is pricey. Also suggest using the 24-Hour Rule when an item turns out to cost more than expected. Recommend holding off for a day on making the purchase to think about whether the purchase is a good decision and if it fits into the spending plan.</p> <p><input type="checkbox"/> [Slide 9] Recommend that students spend a little more time preparing for major purchases than they might for small-ticket items to reduce the risk of buyer's remorse later. This includes doing homework upfront to ensure that what they are buying is in good condition, that they are getting the best deal, and they know what to do if the item needs to be returned or repaired.</p> <p><input type="checkbox"/> Direct students to complete Activity 1.10: My Spending Leaks.</p>	<p>STUDENT GUIDE Pages 35-37, 40</p> <p>SLIDES 7 – Track Your Money 8 – Stop Drop and Think Before You Buy Test 9 – Wise Up Before You Buy Up</p> <p>ACTIVITY Activity 1.10: My Spending Leaks</p>
<p>4. The older you get, the more you become financially responsible for life's little surprises. Create "Green Reaper" playing cards—cards that identify accidents and costs.</p>	<p>[optional] PROCEDURE TIME: 15 min.</p> <p><input type="checkbox"/> As time allows, divide students into groups of four or so members. Direct each team to create six Green Reaper cards that identify realistic scenarios and accurate cost estimates. Students can write their card information on paper to hand in or directly on index cards. If you opt for index cards, then pass those out now.</p> <p>To make it more interesting, you can assign each team a theme for their scenarios, such as "Medical," "Technology," "Sports-Related," "Education," "Pets," "Relationships" (family, friends, etc.), "Transportation," "Entertainment," etc.</p> <p>Groups can divide the labor up as needed. For example two students can work on being "creative"—coming up with the scenarios—while two other students can conduct the research. Or, groups may choose to let each member create their own card. Either way, all group members should have a chance to review and correct cards before they are turned in for a group grade.</p>	<p>SLIDE 10 – Create Green Reaper Scenarios</p> <p>ACTIVITY Internet access Index cards</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p>Use these cards in a variety of ways.</p> <ul style="list-style-type: none"> ■ Students choose one of these cards at random, and they have to re-balance their budget to accommodate the cost associated with their Green Reaper cards. ■ Use the cards in a class or school-wide financial capability fair or simulation. ■ Use these cards for a flash card game, “What Does It Cost?” testing their knowledge and understanding of consumer costs. ■ Have students create their own board game version of Life™ or Monopoly™ focusing on financial skills and benchmarks in the life cycle. Use the Green Reaper cards as Chance Cards. 	
<p>5. Recommend ways for Michael to adjust his spending plan when his income increases.</p>	<p>[Optional] PROCEDURE: TIME: 10 min.</p> <p><input type="checkbox"/> [Slide 11] Point out that an individual’s spending plan will change as frequently as a person’s life situation changes. Facilitate a discussion about the types of changes that might impact a teen’s spending plan. Ask students to add to the “what if” situations. As time allows, expand the discussion to changes when the students become adults.</p> <p><input type="checkbox"/> [Slide 12] Ask the students to suggest changes to Michael’s spending plan for the summer months. Point out that he works full-time in the summer so his monthly income increases. He no longer has to set aside savings for new tires because he bought the tires earlier in the spring. Remind the students that Michael is planning to start college in the fall. (This is an activity students can either complete as a whole class, individuals, or in small groups.)</p>	<p>SLIDES 11 – When Life Changes, Change the Plan 12 – Change Michael’s Plan</p>
<p>6. Take the Money Management Self-Assessment. Be honest—this is for you. How did you do? Based on your self-assessment and what you learned in class, complete Challenge 1-D: My Action Plan.</p>	<p>PROCEDURE: TIME: 10 min.</p> <p><input type="checkbox"/> Have students assess their current money management skills by completing the Money Management Self-Assessment. Encourage them to be honest and by telling them that their current skills are better than some adults’!</p> <p><input type="checkbox"/> [Slide 13] Assign Challenge 1-D: My Action Plan. Direct students to select from the self-assessment one issue that they want to work on over the next year. Have the students write down or fashion a SMART goal that will help them develop that particular skill.</p>	<p>STUDENT GUIDE Page 39</p> <p>SLIDE 13 – Challenge</p> <p>ACTIVITIES Money Management Self Assessment Challenge 1-D: My Action Plan</p>
<p>REFLECTION Assess your spending habits.</p>	<p>PROCEDURE In-class or out-of-class assignment</p> <p><input type="checkbox"/> Challenge students to respond to the reflection prompt as they assess current spending habits and predict their future habits.</p>	<p>ACTIVITY Reflection (Learning Plan)</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
TAKING IT HOME Introduce your family to Spendster.	PROCEDURE Out-of-class assignment <input type="checkbox"/> Encourage the students to introduce their family to the Spendster website (www.spendster.org).	
FURTHER STUDY Create a marketing campaign to show your peers ways to better manage their money.	PROCEDURE: In-class or out-of-class assignment <input type="checkbox"/> Divide the class into groups to create a campaign to show their peers ways they can better manage their money. Preview their work to ensure that the message or lesson they select is clear and appropriate. Help them find money management tips that are relevant to the message or lesson they selected. <input type="checkbox"/> Provide various techniques they can use to determine their final five tips such as voting, debate, negotiating, etc. Help students determine the appropriate medium for their campaign. Help them secure the materials they need for their selected medium. When completed, have the students present their campaign to the class.	

REFLECTION

How do you spend your money? Using your spending log from Lesson 1-1 (Further Study), create categories of expenses, and calculate the percent you spend on each category. How well do your current spending habits represent your financial goals?

Use this information to create a pie chart that represents how you spend your money. Answer the following questions: What do you think will happen to your pie chart in ten years if you don't create a spending plan? What do you think will happen to your pie chart if you DO create a plan?

TAKING IT HOME

Showcase the Spendster website to your family (www.spendster.org). Choose at least one of the following options:

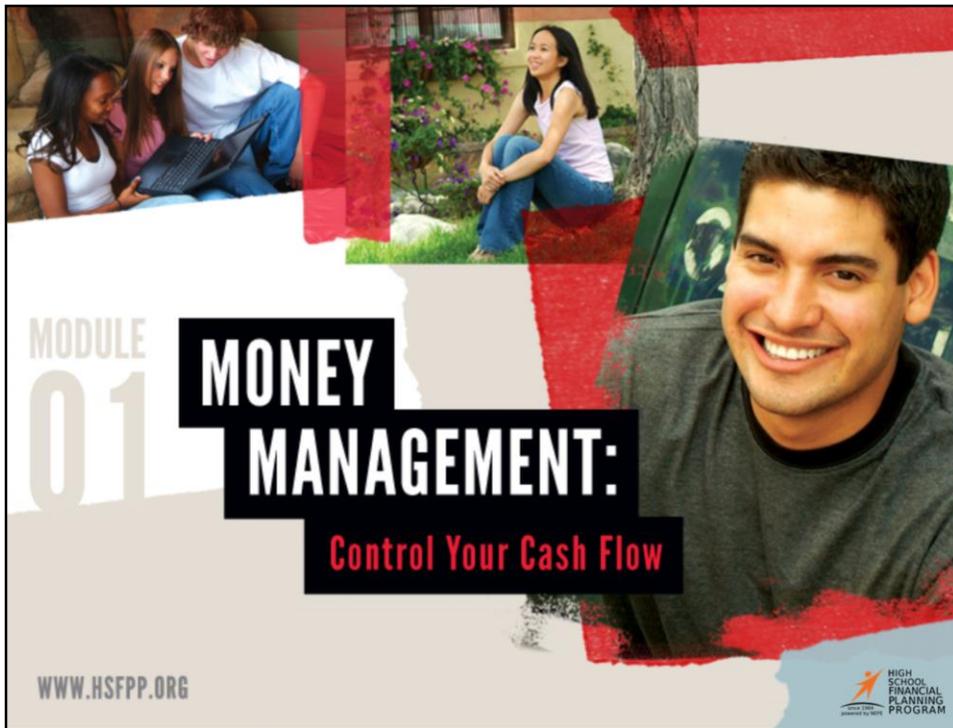
- Show them the videos of spendster confessions. Explain to family members what *you* would talk about if you were making a video for Spendster.
- Read the most recent posts under the “More Stuff” tab. Vote on the one your family finds most useful.
- Participate in the most recent poll under the “Your Stuff” tab by voting as a family. Then check out one of the documents at the bottom of the page.
- Join the conversation by adding a video, calculating the cost of wasted spending, uploading a picture, or leaving a comment—all of these options are possible on the site home page.

FURTHER STUDY

Determine what you believe to be the biggest issue that keeps students from being financially responsible. Create a campaign to teach your fellow students ways they can better manage their money.

EXTENSION

See video confessions online at www.spendster.org. Check the site for occasional contests. If the students are able to get the resources they need, challenge them to create their own videos for a class competition with a guest judge (such as a financial planner or representative from a local banking institution).



MODULE
01

MONEY
MANAGEMENT:
Control Your Cash Flow

WWW.HSFPP.ORG

HIGH SCHOOL FINANCIAL PLANNING PROGRAM
ESTABLISHED IN 2007

Cash Flow

TODAY YOU WILL . . .

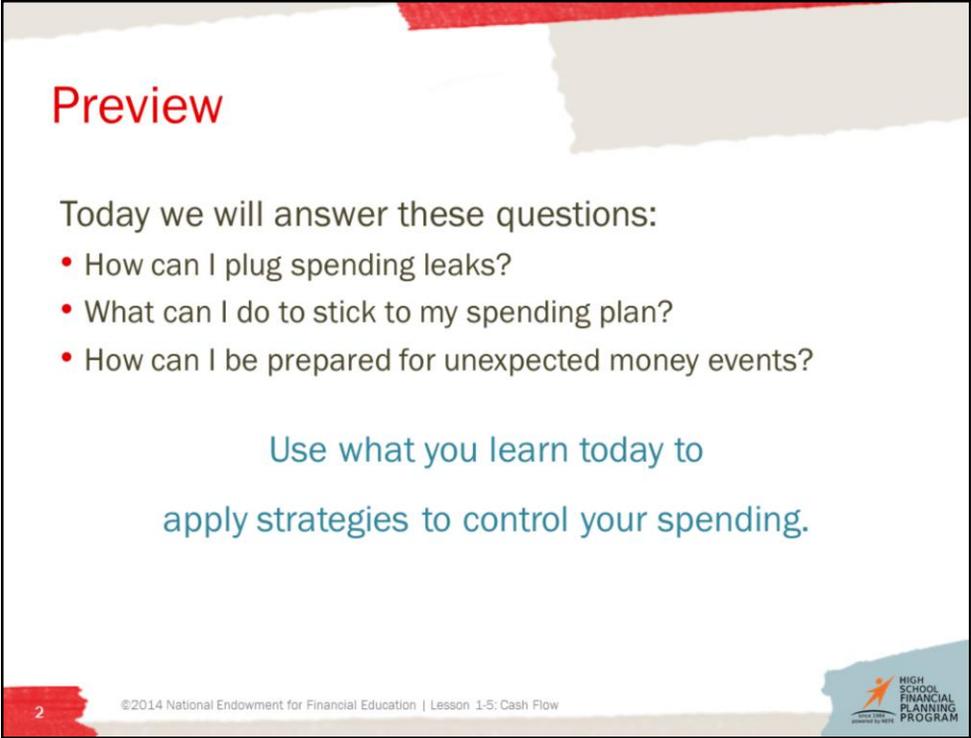
FIGURE OUT WAYS TO MAINTAIN A

POSITIVE CASH FLOW.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

- Display this slide as you transition into the lesson.
- Ask for a student volunteer to read the **Money Flow letter**. As the story is being read to the class, pour water from the pitcher into the glass whenever the story involves income (adding to the balance). When the story involves spending money, pour water out of the mug. It's possible that the mug or glass will be empty at some point in the story which represents zero cash balance.
- Debrief with the students to explain how the water represents “cash flow.” Ask the students to think about times when their own glasses were empty (or overflowing). Point out that even with careful planning, students will encounter unexpected events that will impact their cash flow at very inconvenient times. There may be times when students have a windfall or extra money.



Preview

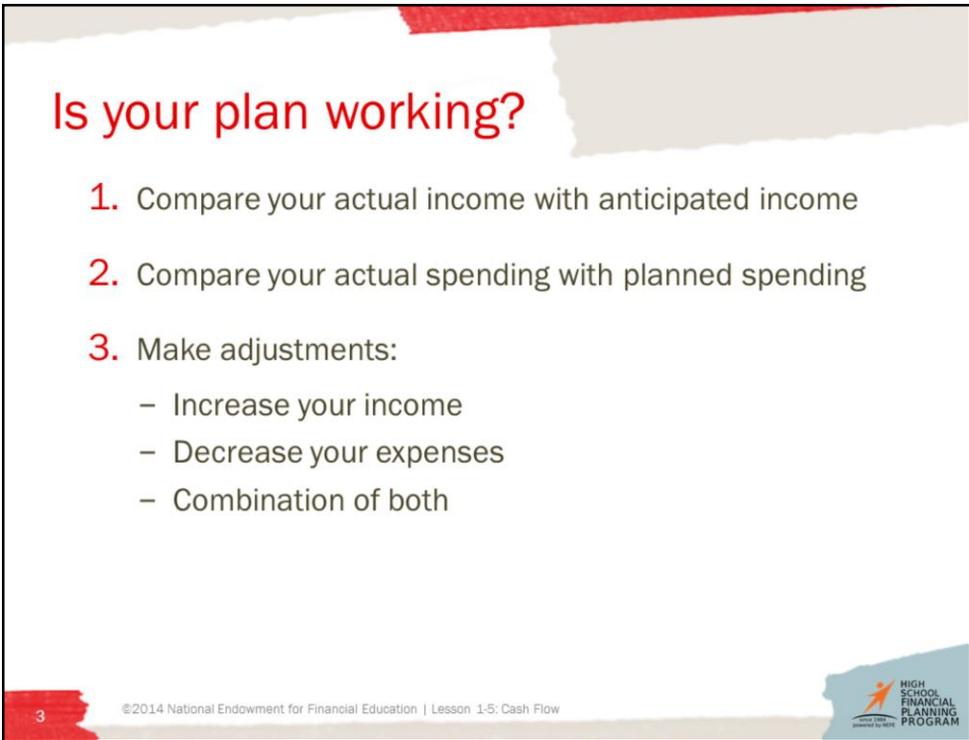
Today we will answer these questions:

- How can I plug spending leaks?
- What can I do to stick to my spending plan?
- How can I be prepared for unexpected money events?

Use what you learn today to
apply strategies to control your spending.

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- Transition into the lesson by telling the students that they will learn about tips for what they might do when cash flow is abundant as well as how they can reduce the risk of low or no cash flow. Preview the Learning Outcomes in the Student Learning Plan. By the end of this lesson, the students should be able to identify strategies they will apply to control their spending.



Is your plan working?

1. Compare your actual income with anticipated income
2. Compare your actual spending with planned spending
3. Make adjustments:
 - Increase your income
 - Decrease your expenses
 - Combination of both

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 32-33

- Read the Staying on Course tips.
- Introduce ways for students to adjust their income or expenses so their spending plan more closely matches their actual spending and planning.

Get a Bigger Bucket

- Be crafty
- Help your neighbors
- Teach others
- Be a tech troubleshooter
- Work for your parents
- Start an Internet business

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Student Guide, page 34

- As a lead-in to **Activity 1.9: My Income Options**, provide suggestions for how students can increase their cash other than getting a job with more pay or increasing how many hours they work.

Plug Your Money Leaks

- Slow and steady drips
- Laziness penalties
- Needless things
- Carelessness fines
- Pity purchases
- Impulsive buys

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, page 35

- Ask students to think about their biggest spending weakness. Arrange students in pairs to share their responses. As time allows, have the students document the total number of students represented within each category.

[OPTIONAL: If students completed the Values and Spending Survey from Lesson 1-1, see how the categories align with students' money values.]

- Point out examples of unplanned expenses (spending leaks) that the students might not have shared.

Common Money Leaks:

Slow and steady drips. Sure, it's "only" fifty cents or \$30, but when it's every day or every week, those little purchases add up fast!

Laziness penalties. These could be late fees on library books or bills, frequent ATM fees, parking tickets or buying something you left at home. Basically, if you had planned your money or time better, you wouldn't have had to pay for them

Needless things. Books or magazine subscriptions you never read. Membership to a gym you never go to, clothes you've never worn. DVD's you haven't unwrapped. If it's been sitting there unopened, unworn, or unused for 30 days, did you really need it?

Carelessness fines. Speeding tickets. Replacing lost sunglasses or fixing a computer you spilled water on. Fees for going over your credit card limit. Again, these are all preventable expenses that drain your wallet while doing nothing to improve your life.

Pity purchases. You were feeling blue so you went on a little splurge—crazy to cheer yourself up. But you don't feel quite as happy when you see your bank statement or empty wallet afterward.

Impulsive buys. It didn't work or didn't last. You found it later a lot cheaper. Or, you got home and realized you'd already bought one. These are the purchases you regret not doing your homework on.

Who's in Control?

Do you control your cash flow?
or
Does your cash flow control you?

Face **REALITY**

Accept **RESPONSIBILITY**

Show **RESTRAINT**

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Student Guide, pages 36-37

- ❑ Ask the students to think about how they would answer the control questions. Introduce the 3 R's as a way for them to take control over their cash flow using the strategies they will learn in this lesson.
 - Face the reality of the current, actual situation. Prices for services increase, people won't keep the same job forever, an illness or injury might prevent someone from working either temporarily or permanently, increases in family size will bring on more expenses. An emergency fund can help relieve financial stress when unexpected events occur. Creating a spending plan using actual earning amounts is better than planning for the job raise that might not happen. Knowing that businesses increase their fees over time, such as phone costs and utility fees, is a reason to leave room in the plan to be able to adjust non-essential expenses.
 - Accept responsibility for your own spending and saving actions. As you learn strategies to manage your cash flow, use them to take charge for how you use your money.
 - Show restraint when tempted to stray from your values or spending plan. Have a plan and stick to the plan.
- ❑ Read pages 36-37 and discuss 7 Ways to Strike Back with strategies to make money go further.

Track Your Money

- Envelope system
- Weekly receipt tally
- Checking account register
- Spreadsheet
- Personal finance software or app

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 35-37

- Introduce students to strategies they might use to keep track of their income and spending. One strategy doesn't work for all people so students will want to consider what they think best fits their lifestyle. Ask students to share any strategies they already use to keep track of their spending.

Stop Drop and Think Before You Buy Test

Before you buy, ask these questions:

- Do I need this or do I want it?
- If I don't need it, why do I want it?
- Exactly when will I use (or wear) it?
- Could I find it for less somewhere else?
- What will I have to give up or put off by buying this now?

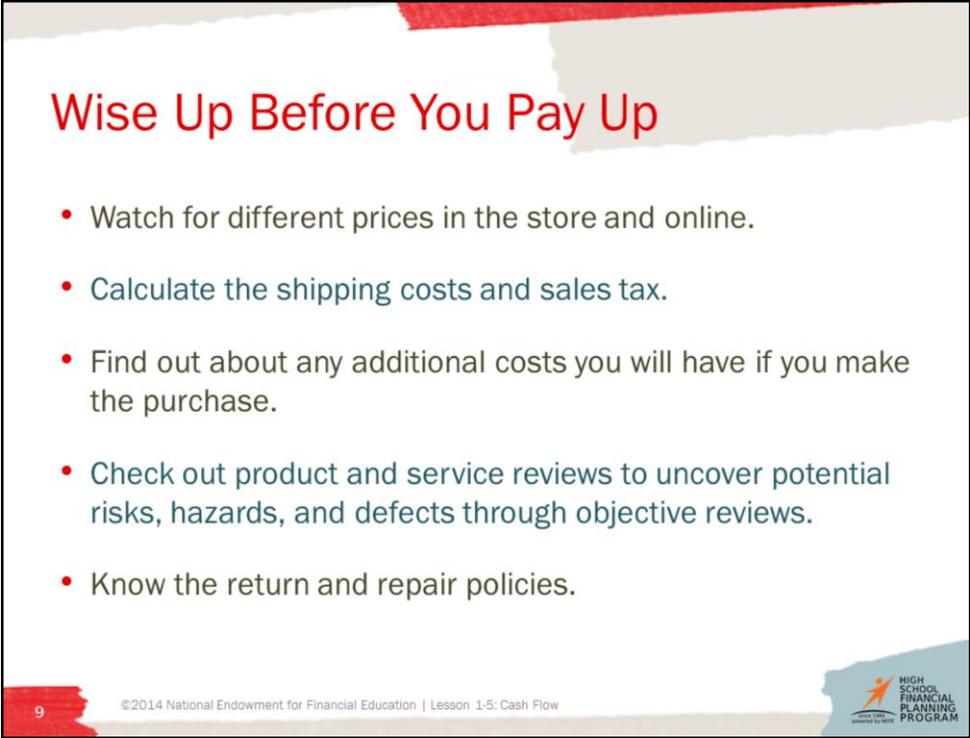
8

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Appendix, page 40

- Introduce students to the **Stop Drop and Think Before You Buy** test questions in the Appendix on page 40. Recommend that they use the questions when they are considering a purchase, particularly for something that is pricey. Also suggest using the 24-Hour Rule when an item turns out to cost more than expected. Recommend holding off for a day on making the purchase to think about whether the purchase is a good decision and if it fits into the spending plan.



Wise Up Before You Pay Up

- Watch for different prices in the store and online.
- Calculate the shipping costs and sales tax.
- Find out about any additional costs you will have if you make the purchase.
- Check out product and service reviews to uncover potential risks, hazards, and defects through objective reviews.
- Know the return and repair policies.

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Student Guide, pages 35-37

- Recommend that students spend a little more time preparing for major purchases than they might for small-ticket items to reduce the risk of buyer's remorse later. This includes doing homework upfront to ensure that what they are buying is in good condition, that they are getting the best deal, and they know what to do if the item needs to be returned or repaired.
- Direct students to complete **Activity 1.10: My Spending Leaks**.

Create Green Reaper Scenarios

Examples

“That movie was so good you forgot to return it when it was due six days ago. Now you owe the library \$12 in late fees.”

\$\$\$\$\$\$

“That box of Valentine’s Day chocolates hit the spot; however, it left spots on your teeth! Your dentist tells you that you need to have two cavities filled. With insurance: \$39.60 per tooth. Without insurance: \$198 per tooth.”



[Optional as time allows]

- ❑ Divide students into groups of four or so members. Direct each team to create six Green Reaper cards that identify realistic scenarios and accurate cost estimates. Students can write their card information on paper to hand in or directly on index cards. If you opt for index cards, then pass those out now.
- ❑ To make it more interesting, you can assign each team a theme for their scenarios, such as “Medical,” “Technology,” “Sports-Related,” “Education,” “Pets,” “Relationships” (family, friends, etc.), “Transportation,” “Entertainment,” etc.
- ❑ Groups can divide the labor up as needed. For example two students can work on being “creative”—coming up with the scenarios—while two other students can conduct the research. Or, groups may choose to let each member create their own card. Either way, all group members should have a chance to review and correct cards before they are turned in for a group grade.

Use these cards in a variety of ways.

- Students choose one of these cards at random, and they have to re-balance their budget to accommodate the cost associated with their Green Reaper cards.
- Use the cards in a class or school-wide financial capability fair or simulation.
- Use these cards for a flash card game, “What Does It Cost?” testing their knowledge and understanding of consumer costs.
- Have students create their own board game version of Life™ or Monopoly™ focusing on financial skills and benchmarks in the life cycle. Use the Green Reaper cards they develop as Chance Cards.

When Life Changes, Change the Plan

What if ...

- You get a job that pays more?
- Are scheduled to work fewer hours?
- Get laid off or fired?
- Your bus fare increases?
- Achieve your goal(s)?

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Optional

- Point out that an individual's spending plan will change as frequently as a person's life situation changes. Facilitate a discussion about the types of changes that might impact a teen's spending plan. Ask students to add to the "what if" situations. As time allows, expand the discussion to changes when the students become adults.

Change Michael's Plan

*He works more hours in the summer and already bought tires

Monthly Expenses	School Year	Summer
Estimated Income	\$544	\$1,110*
Savings for college	\$0	
Savings for tires*	\$160	\$0*
Car Insurance	\$70	
Cellphone	\$45	
Food	\$100	
Gas	\$40	
Clothes/Personal Care	\$35	
Entertainment	\$80	
Gifts/Donations	\$15	
Total Expenses	\$545	

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Optional

- Ask the students to suggest changes to Michael's spending plan for the summer months. Point out that he works full-time in the summer so his monthly income increases. He no longer has to set aside savings for new tires because he bought the tires earlier in the spring. Remind the students that Michael is planning to start college in the fall. (This is an activity students can either complete as a whole class, individuals, or in small groups.)

Challenge page 39

Reflect on your money management habits.

Respond to the following:

- What do you do well?
- What will you do to improve?
- How will you share what you learned?

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Student Guide, page 39

- Have students assess their current money management skills by completing the **Money Management Self-Assessment**. Encourage them to be honest and by telling them that their current skills are better than some adults'!
- Assign **Challenge 1-D: My Action Plan**. Direct students to select from the self-assessment one issue that they want to work on over the next year. Have the students write down or fashion a SMART goal that will help them develop that particular skill.
- Challenge students to respond to the reflection prompt (Learning Plan 1-5) as they assess current spending habits and predict their future habits.

How do you spend your money? Using your spending log from Lesson 1-1 (Further Study), create categories of expenses, and calculate the percent you spend on each category. How well do your current spending habits represent your financial goals?

Use this information to create a pie chart that represents how you spend your money. Answer the following questions:

- *What do you think will happen to your pie chart in ten years if you don't create a spending plan?*
- *What do you think will happen to your pie chart if you DO create a plan?*



OVERVIEW

Once you've developed your plan, you're ready to put it into practice. No one else can do that for you. Of course, knowing what you should do doesn't mean that actually doing it will be easy. The good news: We have tips and strategies to help you get rolling.

The basics of maximizing your money comes down to cash flow—the money flowing into your pockets as income and flowing out as expenses and debt. It doesn't matter who you are or how much money you have, maintaining a balanced cash flow is crucial.

This lesson will help you set up strategies to maintain a positive cash flow.

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In this lesson you will set up strategies to maintain a positive cash flow. Along the way you will:

- Identify how to plug spending leaks.
- List strategies to stick to a spending plan.
- Discuss ways to be prepared for unexpected money events.

Use what you learn to develop strategies to control your spending.

LEARNING TASKS

These tasks match pages 31-40 in Student Guide 1.

__ 1.	Complete Activity 1.9: My Income Options to brainstorm ways to increase your cash flow.
__ 2.	Michael has a spending leak—he gets a parking ticket at school at least once a month. What are your spending leaks?
__ 3.	Complete Activity 1.10: My Spending Leaks to consider how you can change your habits.
__ 4.	The older you get, the more you become financially responsible for life's little surprises. Create "Green Reaper" playing cards—cards that identify accidents and costs.
__ 5.	Recommend ways for Michael to adjust his spending plan when his income increases.
__ 6.	Take the Money Management Self-Assessment . Be honest—this is for you. How did you do? Use your results and what you learned in class to complete Challenge 1-D: My Action Plan .



REFLECTION

How do you spend your money? Using your spending log from Lesson 1-1 (Further Study), create categories of expenses, and calculate the percent you spend on each category. How well do your current spending habits represent your financial goals?

Use this information to create a pie chart that represents how you spend your money. Answer the following questions: What do you think will happen to your pie chart in ten years if you don't create a spending plan? What do you think will happen if you DO create a plan?



FURTHER STUDY

Determine what you believe to be the biggest issue that keeps students from being financially responsible. Then, create a campaign to teach your fellow students ways they can better manage their money.



TAKING IT HOME

Showcase the Spendster website to your family (www.spendster.org), and then choose one of the following options:

- Show them the videos of Spendster confessions. Explain to family members what *you* would talk about if you were making a video for Spendster.
- Read the most recent posts under the "More Stuff" tab. Vote on the one your family finds most useful.
- Participate in the most recent poll under the "Your Stuff" tab by voting as a family. Then check out one of the documents at the bottom of the page.
- Join the conversation by adding a video, calculating the cost of wasted spending, uploading a picture, or leaving a comment— all of these options are possible on the site home page.

Activity 1.9: My Income Options



NAME:

DATE:

Directions:

What are two to four ways you can realistically bring in more cash?

Hint: Think about skills or talents you have that other people might need or want.

Activity 1.10: My Spending Leaks

NAME:

DATE:

Directions:

Looking at your spending log, do you recognize any money leaks? If so, answer these questions about your spending:

<i>What do I wish I'd done with that money instead?</i>	<i>Will it take me longer to reach my financial goals now?</i>
<i>How can I reduce the impact on my situation now? (Return or sell the item, cancel the membership, etc.)</i>	<i>What will I do to keep from making the same mistake again?</i>

Check out **Spendster**, a YouTube™-like website that showcases people's stories of impulse buying, overspending, or just plain wasting money on stuff they don't need. Watch their video confessions or submit your own spending story at www.spendster.org.

Money Flow Letter

Teacher Set Up:

While a student reads the Money Flow letter, the instructor will pour water into or out of a glass to represent examples in the story of when money is received or paid out.

Preparation:

- Prepare to pour water from a large glass or pitcher into a smaller clear glass. (The volume of liquid should be visible to all).
- Arrange the smaller mug or glass on a towel or a saucer to collect any spilled water during the task.
- Have a towel on hand to wipe up any spilled water.

Directions:

1. Arrange for a student to read the letter. As the story is being read to the class, pour water from the pitcher into the glass whenever the story involves income (adding to the balance). When the story involves James spending money, pour water out of the mug. It's possible that the mug or glass will be empty at some point in the story which represents zero cash balance. Remember to add water throughout the story to represent the biweekly paychecks.
2. Debrief with the students to explain how the water represents "cash flow." Ask the students to think about times when their own glasses were empty (or overflowing). Point out that even with careful planning, students will encounter unexpected events that will impact the cash flow at very inconvenient times, just like James did. There may be times when students have a windfall or extra money.
3. Transition into the lesson by telling the students that they will learn about tips for what they might do when cash flow is abundant as well as how they can reduce the risk of low or no cash flow.

Dear Blabby,

Wow, do I need your help! In May I landed my dream summer job working as a caddy at the Rolling Hills Golf Course. Each week I worked about 30 hours at \$6 an hour. Earning an average of \$180 a week was nice. Plus, I earned at least \$50 each week in tips! It's now the end of August and I don't know where my money went.

Right after I got the job, I repaid the \$40 I owed my sister, and bought a few used video games. I was paid twice a month. Each month I used part of my first paycheck to pay my share of the family cellphone bill and my share of the car insurance. I also had to put gas in the car every other week so I could get to and from work. Although I used my employee discount, I guess it wasn't a good idea to buy lunch each work day at the golf clubhouse. In June I bought concert tickets. In July I spent the day at Six Flags amusement park with friends, and then I got a speeding ticket on the way home from the park. Last month, I had to take off a full week of work to recover from getting my wisdom teeth pulled. Now I just found out that I need to pay \$500 for the senior class trip. It seems that my money has just disappeared. Can you give me advice to control my cash flow?

Money Management Self Assessment



NAME:

DATE:

Directions:

Use the following scale to assess your money management skills. Perform this self-assessment at least once a year.

5=Always 4=Usually 3=Sometimes 2=Occasionally 1=Never

1.	I conduct a personal values and spending analysis once a year.
2.	I created a realistic spending plan based on personal values and spending analysis and adjust it yearly, if needed.
3.	I put at least 10 percent of what I earn into a savings account. (PYF)
4.	I have a savings account in my name and make regular deposits.
5.	I adjust my spending plan to match my short-term, medium-term and long-term savings goals.
6.	My spending plan includes a line item for emergencies and opportunities.
7.	I balance my spending plan so expenses do not exceed income
8.	I keep records of all of my purchases.
9.	I track my spending to make sure I stay within my spending plan.
10.	I compare my spending plan to my actual earned income and expenses every month.
11.	I compare my receipts to my bank statement (“reconcile my account”) to make sure there are no mistakes.
12.	I evaluate my purchases based on my needs and not my wants.
13.	My purchases are in line with my money values.
14.	I always comparison shop.
15.	I create a list when I go shopping and I stick to my list.
16.	I avoid impulse buying.
17.	I wait one day before committing to a purchase over \$50.
18.	I pay my bills and return borrowed items on time to avoid unnecessary fees and penalties.
19.	I make sure I have enough money in my account before I withdraw money, use my debit card, or write a check to avoid unnecessary fees.
20.	(If I have a job) When I file income taxes, I only owe a small amount or receive a small refund.
TOTAL SCORE	
ASSESSMENT DATE	

Challenge 1-D: My Action Plan

NAME:

DATE:

The habits you have now will continue as you get older. The sooner you replace ineffective money management habits with sensible habits, the better off you will be as you take on more financial responsibility.

For this challenge task, reflect on your spending habits and ways you can take charge of how your money is used. Add this Action Plan to your personal financial planning portfolio. As your life circumstances change, refer to your Action Plan to check progress, modify your strategies, or work on new habits.

Directions:

- 1. Apply what you have learned about managing spending as you complete this challenge. Preview the criteria listed in the Scoring Guide to plan for the assessment.
- 2. Think about how well you manage your money now. Regarding your spending habits, assess what you do well and ways that you can make improvements. Use the space below to brainstorm ideas.
- 3. Devise a plan for specific actions and habits you can apply to be in control of how your money is used. The Action Plan should take into consideration your current circumstances and values. You may want to ask trusted friends or family members for input based on their experiences and observations of your current habits.
- 4. Self-assess your work using the Scoring Guide. Optional: Ask a classmate to peer assess your work using the Scoring Guide.

<i>I think I do a _____ job of managing my money.</i>		
<i>What I do well:</i>	<i>What I need to improve and the consequences of ineffective habits:</i>	<i>Strategies that will help me stick to my Action Plan:</i>

Challenge 1-D: My Action Plan

NAME:

DATE:

Required Criteria		Status	
Content			
1.	You assign a label that clearly represents how you rate your current ability to control your cash flow.	acceptable	not acceptable
2.	In one or two sentences you state the rationale for the rating.	acceptable	not acceptable
3.	You cite two specific examples of what you do well to control your cash flow.	acceptable	not acceptable
4.	You cite two specific examples of what you do NOT do well related to controlling your cash flow.	acceptable	not acceptable
5.	You predict the potential consequences of not changing the ineffective behaviors that impact your ability to better control your cash flow.	acceptable	not acceptable
6.	You describe two goals that will help you have better control of your cash flow.	acceptable	not acceptable
7.	Each goal contains the key elements of a SMART Goal (specific, measureable, attainable, relevant, and time-bound).	acceptable	not acceptable
8.	You describe at least two strategies you can utilize to help you stick to your Action Plan.	acceptable	not acceptable
General			
9.	Action Plan strategies are appropriate according to the standard money management guidelines reviewed during learning sessions.	acceptable	not acceptable
10.	Documentation is neat and easy to read.	acceptable	not acceptable

Feedback:

Score: _____ / _____