

**OVERVIEW**

Habits can help you soar to success or keep you panting on the treadmill, with success always out of reach. They're sneaky, too. Because habits are automatic, they kick in before you can stop to think about how they're going to help you or hurt you in the long run.

Today's lesson will help you examine and better understand your current habits, spending values and money attitudes, and how these can impact your relationships and financial future.

**LEARNING OUTCOMES**

In this lesson students will explore how spending, saving and values impact their finances.

Along the way they will:

- Discuss the value of having a process to plan how they will use their money.
- Give examples of sensible and unwise spending decisions and behaviors.
- Compare spending priorities.

Students will use what they learn to outline a personal money motto that describes how they value and use money.

**PREPARATION**

- Order a Module 1 Student Guide for each student. (The Guide is also available online to download.)
- Preview the lesson PowerPoint presentation, learning tasks, and Module 1 Student Guide, particularly pages 3-13 and the Appendix.
- Print or download the Student Learning Guide and the student handouts for this lesson so each student has a copy.
- [Option for Activity 1] Preview and select a Spendster ([www.spendster.org](http://www.spendster.org)) video to show an example of how someone regretted spending money. Use this to kick off the first task.

**WHAT YOU WILL NEED**

- Module 1 Student Guide (pages 3-13)
- PowerPoint Presentation 1-1
- Student Learning Plan 1-1
- [www.Spendster.org](http://www.Spendster.org) (select a video)
- Scraps of paper for Task 1
- Signs for Task 4 (WANTS, NEEDS) and tape
- Activity 1.1: My Money Habits
- Activity 1.2: My Disappearing Dollars
- (optional) Activity 1.3: Why Wait?
- Activity 1.4: My Needs and Wants
- Activity 1.5: My Values
- Task: Values and Spending Survey
- Performance Assessment Task: My Personal Money Motto

**NOTES:**

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

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>1. Can you think of a time when you bought something on impulse or overspent money on something you didn't need? When have you ever wasted money on something and wished you hadn't?</p>	<p style="text-align: center;">PROCEDURE <span style="float: right;">TIME ESTIMATE: 10 minutes</span></p> <p><input type="checkbox"/> [optional] Show a short video from <a href="http://www.spendster.org">www.spendster.org</a> to hear a story about someone who bought something but wished the money had been used for something else. [Slide 2] Follow up with a recap of how much was spent on the item(s) and what might have been a better use of that money. Use this to lead into the task.</p> <p><input type="checkbox"/> Instruct students to take out a scrap of paper and write down what they bought that was overpriced, not worth it, or just a waste of money. Give the students one minute to write down one or two examples of a time they wasted money and then have them hand that in to you.</p> <p style="padding-left: 40px;"><u>Game Guidelines:</u></p> <ul style="list-style-type: none"> <li>- Don't talk about other students or teachers.</li> <li>- Moderator resumes right to reject a slip.</li> </ul> <p><input type="checkbox"/> Read each response. As time allows, prompt students to estimate how much money was wasted for particular responses and calculate the total cost.</p> <p>EXTENSION: Check the <a href="http://www.spendster.org">www.spendster.org</a> website for occasional contests. If the students are able to get the resources they need, challenge them to create videos for a class competition with a guest judge (such as a financial advisor or representative from a local credit union or bank).</p>	<p>Module 1 Student Guide</p> <p>Student Learning Plan</p> <p>SLIDE 2 - Spendster.org</p> <p>ACTIVITIES</p> <p>Post-it® Notes or scraps of paper (one per student)</p> <p><a href="http://www.spendster.org">www.spendster.org</a> video</p>
<p>2. Complete <b>Activity 1.1: My Money Habits</b> to evaluate your money habits.</p>	<p style="text-align: center;">PROCEDURE <span style="float: right;">TIME: 10 min.</span></p> <p><input type="checkbox"/> [Slide 3] Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out how everyone has good and bad habits when it comes to money. Whether or not someone has little income or a lot of income, the habits can have the same positive or negative impact.</p> <p><input type="checkbox"/> Inform the students that they will examine their own habits and explore ways to take on more good habits than bad habits so they have money when they need it for something. By the end of this lesson, they should be able to write a code of behavior they will follow to manage their money in a sensible manner.</p>	<p>STUDENT GUIDE Pages 3-7</p> <p>SLIDES</p> <ul style="list-style-type: none"> <li>3 – Preview</li> <li>4 – Meet Michael and Selena</li> <li>5 – Money Habits</li> <li>6 – Latte Factor</li> <li>7 – Latte Factor responses</li> <li>8 – Consequences</li> </ul> <p>ACTIVITIES</p> <p>Activity 1.1a: My Money Habits</p> <p>Activity 1.1b: My Money Habits</p>

# Lesson 1-1: Money Habits

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> [Slide 4] Read pages 3-4 to introduce the students to Michael and Selena who are featured in the Student Guide.</p> <p><input type="checkbox"/> [Slide 5] Guide students to complete <b>Activity 1.1a: My Money Habits</b> to rate their money habits and predict the possible impact of each habit. Read the two examples (page 5) to get them started, or read about Michael's and Selena's habits (page 6).</p> <p><input type="checkbox"/> Discuss possible consequences of sensible habits or unwise habits. For example, the possible positive consequence of saving a portion of each paycheck (sensible habit) to later pay for a big-ticket item. The possible negative consequence of going out for lunch every school day (unwise habit) is not having enough money available later to pay for gas that week.</p> <p><input type="checkbox"/> [Slide 6] Guide students to work independently or in pairs to calculate how much Selena spent on coffee. Use slide 7 to check calculations. Ask students to give examples of other ways that Selena could have used the money during the school year.</p> <p>For additional discussion, use any of the following situations as examples:</p> <ul style="list-style-type: none"> <li>▪ Review the costs featured in the opening Spendster video.</li> <li>▪ Review the costs and consequences of the wasted money situations shared in the opening activity.</li> <li>▪ Invite students to share their responses to Activity 1.1a.</li> </ul> <p><input type="checkbox"/> [Slide 8] Guide students to complete <b>Activity 1.1b: My Money Habits</b> to rewrite their money habits. (page 7)</p>	
<p>3. List what you spent money on in the past week as you complete <b>Activity 1.2: My Disappearing Dollars</b>.</p>	<p>PROCEDURE <span style="float: right;">TIME: 5 min.</span></p> <p><input type="checkbox"/> Ask students what they spent money on in the past week as they complete <b>Activity 1.2: My Disappearing Dollars</b> (page 8).</p> <p><input type="checkbox"/> Be prepared to use student responses for the next task and for <b>Activity 1.4: My Wants and Needs</b>.</p>	<p>STUDENT GUIDE Pages 7-8</p> <p>ACTIVITY Activity 1.2: My Disappearing Dollars</p>
<p>4. Sometimes we make poor spending decisions because we confuse wants and needs. Participate in a game that forces you to choose. Be prepared to defend your answers!</p>	<p>PROCEDURE <span style="float: right;">TIME: 10 min.</span></p> <p><input type="checkbox"/> Hang a WANTS and a NEEDS sign at opposite ends of the room. Arrange students in the center of the room between the two signs.</p> <p><input type="checkbox"/> Tell the students that you are going to name something (see ideas listed below). Each person should decide whether the item named is a "need" or a "want" and should move to the respective end of the room.</p>	<p>SLIDE 9 – Is It a Need or a Want?</p> <p>ACTIVITY PROPS Two signs: WANTS NEEDS masking tape</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> After everyone has moved to one end or the other, survey a few members from each group. Ask the individuals why they think that item is either a need or want; ask for specific reasons or examples to justify their answers.</p> <p>Ideas for "want" or "need" items:</p> <ul style="list-style-type: none"> <li>- car</li> <li>- Internet access</li> <li>- athletic shoes</li> <li>- glasses</li> <li>- dog</li> <li>- cellphone</li> <li>- business suit</li> <li>- laptop computer</li> <li>- house</li> <li>- gym membership</li> </ul> <p><input type="checkbox"/> Debrief by showing Slide 9 to clarify the difference between a want and a need. Point out that each consumer will have a different priority based on individual situations and the potential payoffs of how money is used.</p> <p>EXTENSION: Facilitate a discussion to discern if having Internet service is a need or a want. (For consideration: Internet service can be considered a need if required to complete work tasks relating to a person’s financial security. Ask the students if they think that Internet service is a need at home if they can access service at the public library or school to complete school tasks.)</p>	
<p>5. Complete <b>Activity 1.4: My Needs and Wants</b> to categorize items you recently purchased.</p>	<p>PROCEDURE <span style="float: right;">TIME: 10 min.</span></p> <p><input type="checkbox"/> Read about Michael’s want or need situation (page 10). Guide students to complete <b>Activity 1.4: My Needs and Wants</b> (page 11). Preview the activity by guiding the whole class to rate Michael’s wish list items.</p> <p><input type="checkbox"/> [Slide 10] Introduce the <b>Stop Drop and Think Before You Buy Test</b> questions (Student Guide Appendix, page 40) for students to consider before they spend money. As time allows, use student purchases listed in Activity 1.2 or Activity 1.4 to practice answering the test questions.</p> <p>EXTENSION: As time allows, arrange for students to work independently or in pairs to respond to <b>Activity 1.3: Why Wait?</b></p>	<p>STUDENT GUIDE Pages 10-11 Appendix, page 40</p> <p>SLIDE 10 – Stop Drop and Think Before You Buy Test</p> <p>ACTIVITIES Activity 1.4: My Needs and Wants (opt.) Activity 1.3: Why Wait?</p>

# Lesson 1-1: Money Habits

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>6. Think about the question, "If all of my bills were paid and I 'found' an extra \$100, what would I spend it on?" Complete a survey to assess your money values.</p> <p>Identify what is important to you when spending your money as you complete <b>Activity 1.5: My Values</b>.</p>	<p>PROCEDURE: <span style="float: right;">TIME: 15 min.</span></p> <p><input type="checkbox"/> [Slide 11] Facilitate the <b>Values and Spending Survey</b>. Make sure students understand they are selecting one of two options every time; they will encounter every possible combination of the ten category options. Have students calculate their results from their number 1 priority, the one circled the most, to their number 10 priority, the one circled the least.</p> <p><input type="checkbox"/> [Slide 12] Facilitate a discussion about how values influence our spending habits (page 12). Point out how values differ from person to person. Values will also change as a person moves through life situations such as single to married to single or employed to unemployed.</p> <p>NOTE: Be sure to impress on students that there are no wrong answers. Everyone has different values when it comes to money. (This is one reason that money can be such a stressor in a relationship!)</p> <p><input type="checkbox"/> Guide students as they complete <b>Activity 1.5: My Values</b>.</p>	<p>STUDENT GUIDE Pages 12-13</p> <p>SLIDES 11 – Found \$\$\$ 12 – Valuing Your Values</p> <p>ACTIVITIES Values and Spending Survey Activity 1.5: My Values</p>
<p>7. In 30 words or less, write a catchy <b>personal money motto</b>—a rule to live by—that inspires you to stick to sensible spending habits that match your values.</p>	<p>PROCEDURE <span style="float: right;">In-class or out-of-class assignment</span></p> <p><input type="checkbox"/> [Slide 13] Guide students to review their values and then create a catchy sentence or phrase that expresses a principle to guide their spending habits.</p> <p>Note: A motto is a short sentence or phrase that expresses a principle, goal, or ideal that guides the actions of an institution or individual (For a word-count guide, point out that the slide contains 30 words.)</p> <p>Examples of mottos that might be familiar to students:</p> <ul style="list-style-type: none"> <li>– <i>Think Different</i> (Apple company)</li> <li>– <i>All for one, one for all</i> (The Three Musketeers)</li> <li>– <i>To thine own self be true</i> (Hamlet)</li> <li>– <i>Moderation in all things</i> (Aristotle)</li> <li>– <i>It's not whether you win or lose; it's how you play the game.</i> (Grantland Rice)</li> </ul>	<p>SLIDE 13 – Challenge</p>
<p>TAKING IT HOME</p> <p>Compare your spending and money values to your family's values.</p>	<p>PROCEDURE <span style="float: right;">Out-of-class assignment</span></p> <p><input type="checkbox"/> Guide students to use the <b>Values and Spending Survey</b> to compare their own values with their family's values.</p>	<p>ACTIVITY Values and Spending Survey</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>FURTHER STUDY</p> <p>Track your personal spending.</p>	<p>PROCEDURE: <span style="float: right;">Out-of-class assignment</span></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Decide how long students have to track their personal spending.</li> <li><input type="checkbox"/> Review the directions. Let the students know that they need to document expenditures by getting receipts, whenever possible.</li> </ul> <p>NOTES: You can do this for a week to get an idea, but students will be better informed if they track their spending for a month. Decide the best way for students to track spending that complements classroom and school standards. (For example, does it make more sense for the students to track their spending habits by using an electronic spreadsheet, software already available through the school, an actual check registry (can be free for the asking), a mobile app, or by creating columns on a lined sheet of paper to track expenses manually.)</p> <p>Whatever the method, students should base their entries on the receipts they gather. If they are uneasy about the sometimes confidential nature of spending records, they can track by category. See the "Values and Spending Survey" for potential categories. Once each activity is entered, the receipts can be stored in a safe place at home or shredded.</p> <p>RESOURCE: "Tracking Your Spending"  <a href="http://www.extension.iastate.edu/publications/PM1918.pdf">www.extension.iastate.edu/publications/PM1918.pdf</a></p>	<p>ACTIVITIES</p> <p>Values and Spending Survey</p> <p>Activity 1.2: My Disappearing Dollars</p> <p>A means to track expenditures (paper and calculator, software, checkbook register, mobile app, or envelope)</p>

### EXTENSION

See video confessions online at [www.spendster.org](http://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).

### TAKING IT HOME

How do your spending and money values compare to your family's values? Use the Values and Spending Survey task to interview a family member. Compare that person's responses to yours.

In what ways do you share the same spending and money values? In what ways are you two different? How can this information help you both better understand where the other is coming from when it comes to spending money?

### FURTHER STUDY

How DO you spend your money? The more you know about your current spending habits, the better informed you are to create a budget you can stick with and to plan for your future. For the next week, track everything you spend.

Compare your actual spending to your Money Motto and your Values and Spending Survey results. How well do your spending habits match your values?



MODULE  
01

**MONEY  
MANAGEMENT:**  
*Control Your Cash Flow*

WWW.HSFPP.ORG

HIGH SCHOOL FINANCIAL PLANNING PROGRAM  
www.hsfpp.org

The image is a collage with a red and white torn-paper effect. It features three photographs: a group of three students (two girls and one boy) looking at a laptop; a girl sitting on a lawn; and a close-up of a smiling young man. The text is overlaid on a white and grey background.



- Display this slide as you transition into the lesson.



**www.Spendster.org**

- What is the spending habit?
- Is this a sensible or unwise habit? Why?
- How much does the habit cost?
- What else could the money be used for?
- When have you 'wasted' money?

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### **www.Spendster.org**

- ❑ [optional] Show a short video from [www.spendster.org](http://www.spendster.org) to hear a story about someone who bought something but wished the money had been used for something else. [Slide 2] Follow up with a recap of how much was spent on the item(s) and what might have been a better use of that money. Use this to lead into the task.

**Alternative:** If you are unable to use a Spendster video, share a personal story or ask a student to volunteer a personal situation.

- ❑ Instruct students to take out a scrap of paper and write down what they bought that was overpriced, not worth it, or just a waste of money. Give the students one minute to write down one or two examples of a time they wasted money and then have them hand that in to you.

#### Game Guidelines:

- Don't talk about other students or teachers.
- Moderator resumes right to reject a slip.

- ❑ Read each response. As time allows, prompt students to estimate how much money was wasted for particular responses and calculate the total cost.

**EXTENSION:** Check the [www.spendster.org](http://www.spendster.org) website for occasional contests. If the students are able to get the resources they need, challenge them to create videos for a class competition with a guest judge (such as a financial advisor or representative from a local credit union or bank).

**Preview**

Today we will answer these questions:

- How are your spending habits working for you?
- What are your good (and bad) spending habits?
- What influences how you spend your money?

Use what you learn today to  
write a **personal money motto**  
to guide your spending habits.

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Student Guide, page 3

Student Learning Plan 1-1

- Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out how everyone has good and bad habits when it comes to money. Whether or not someone has little income or a lot of income, the habits can have the same positive or negative impact.
- Inform the students that they will examine their own habits and explore ways to take on more good habits than bad habits so they have money when they need it for something. By the end of this lesson, they should be able to write a code of behavior they will follow to manage their money in a sensible manner.

## Meet Michael and Selena

**Michael – senior**

- Lives at home
- Part-time job
- Responsible for own expenses
- Saving for college

**Selena – freshman**

- Lives at home
- Occasional jobs
- Gets money from parents



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Student Guide, pages 3-4

- Read pages 3-4 to introduce the students to Michael and Selena who are featured in the Student Guide.

**Money Habits** page 5

Is the habit sensible or unwise?

- Stopping for fast food on the way home from school every day.
- Putting spare change in a jar every night.

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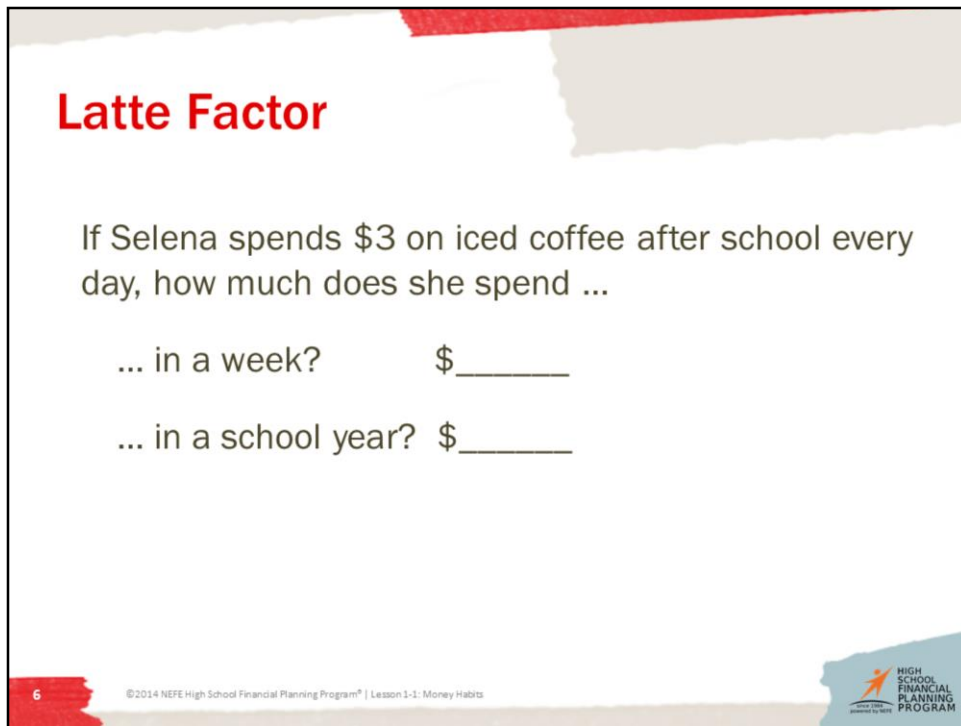
What are your money habits?

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Student Guide, pages 5-6

- ❑ Guide students to complete **Activity 1.1a: My Money Habits** to rate their money habits and predict the possible impact of each habit. Read the two examples (page 5) to get them started, or read about Michael’s and Selena’s habits (page 6).



**Latte Factor**

If Selena spends \$3 on iced coffee after school every day, how much does she spend ...

... in a week?      \$ \_\_\_\_\_

... in a school year? \$ \_\_\_\_\_

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- Student Guide, pages 5-6
- Discuss possible consequences of sensible habits or unwise habits. For example, the possible positive consequence of saving a portion of each paycheck (sensible habit) to later pay for a big-ticket item. The possible negative consequence of going out for lunch every school day (unwise habit) is not having enough money available later to pay for gas that week.
- Guide students to work independently or in pairs to calculate how much Selena will spend on iced coffee.
- Click to show the next slide and check calculations.

**Latte Factor**

If Selena spends \$3 on iced coffee after school every day, she will spend ...

- ... \$15 in a week ( $\$3 \times 5$  days)
- ... about \$540 in a school year ( $\$3 \times 180$  days)

What else could she have done with that money?

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Student Guide, pages 5-6

- Use this slide to check calculations. Ask students to give examples of other ways that Selena could have used the money during the school year.
- For additional discussion, use any of the following situations as examples:
  - Review the costs featured in the opening Spendster video.
  - Review the costs and consequences of the wasted money situations shared in the opening activity.
  - Invite students to share their responses to Activity 1.1a.

A presentation slide with a white background and a torn paper effect at the top. The word "Consequences" is written in red at the top left. The main text is centered and asks, "How might your current spending habits impact your future spending options?" with "current" and "future" in blue. At the bottom left, there is a red tab with the number "8". At the bottom center, there is a small copyright notice: "©2014 NEFE High School Financial Planning Program® | Lesson 1-1: Money Habits". At the bottom right, there is a logo for the High School Financial Planning Program, featuring an orange star and the text "HIGH SCHOOL FINANCIAL PLANNING PROGRAM" and "NEFE".

**Consequences**

How might your **current** spending habits  
impact your **future** spending options?

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Student Guide, pages 5, 7-8

- Guide students to complete **Activity 1.1b: My Money Habits** to rewrite their money habits. (page 7)
- Ask students what they spent money on in the past week as they complete **Activity 1.2: My Disappearing Dollars** (page 8).
- Be prepared to use student responses for the next task and for **Activity 1.4: My Wants and Needs**.



## Is it a Want or a Need?

**Needs**

Things that are essential to your health and security.

- Water
- Basic meals
- Place to live
- Transportation to school or work

*What else?*


**Wants**

Things that make life more interesting and fun but you can get by without.

- Music
- Snowboard
- Ice cream cone
- Air conditioning

*What else?*

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Student Guide, pages 10-11

- Hang a WANTS and a NEEDS sign at opposite ends of the room. Arrange students in the center of the room between the two signs.
- Tell the students that you are going to name something (see ideas listed below). Each person should decide whether the item named is a "need" or a "want" and should move to the respective end of the room.
- After everyone has moved to one end or the other, survey a few members from each group. Ask the individuals why they think that item is either a need or want; ask for specific reasons or examples to justify their answers.

Ideas for "want" or "need" items:

- |                   |                   |
|-------------------|-------------------|
| - car             | - cellphone       |
| - Internet access | - business suit   |
| - athletic shoes  | - laptop computer |
| - glasses         | - house           |
| - dog             | - gym membership  |

- Debrief by showing Slide 8 to clarify the difference between a want and a need. Point out that consumers will have different priorities based on individual situations and the potential payoffs of how money is used

**EXTENSION:** Facilitate a discussion to discern if having Internet service is a need or a want. (For consideration: Internet service can be considered a need if required to complete work tasks relating to a person's financial security. Ask the students if they think that Internet service is a need at home if they can access service at the public library or school to complete school tasks.)

## Stop Drop and Think Before You Buy Test

- 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?
- Can I find it for less somewhere else?
- What will I have to give up or put off by buying this now?

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Student Guide Appendix, page 40

- Read about Michael's want or need situation (page 10). Guide students to complete **Activity 1.4: My Needs and Wants** (page 11). Preview the activity by guiding the whole class to rate Michael's wish list items.
- Introduce the **Stop Drop and Think Before You Buy Test** questions (Student Guide Appendix, page 40) for students to consider before they spend money. As time allows, use student purchases listed in Activity 1.2 or Activity 1.4 to practice answering the test questions.

EXTENSION: As time allows, arrange for students to work independently or in pairs to respond to **Activity 1.3: Why Wait?**

**Found \$\$\$**

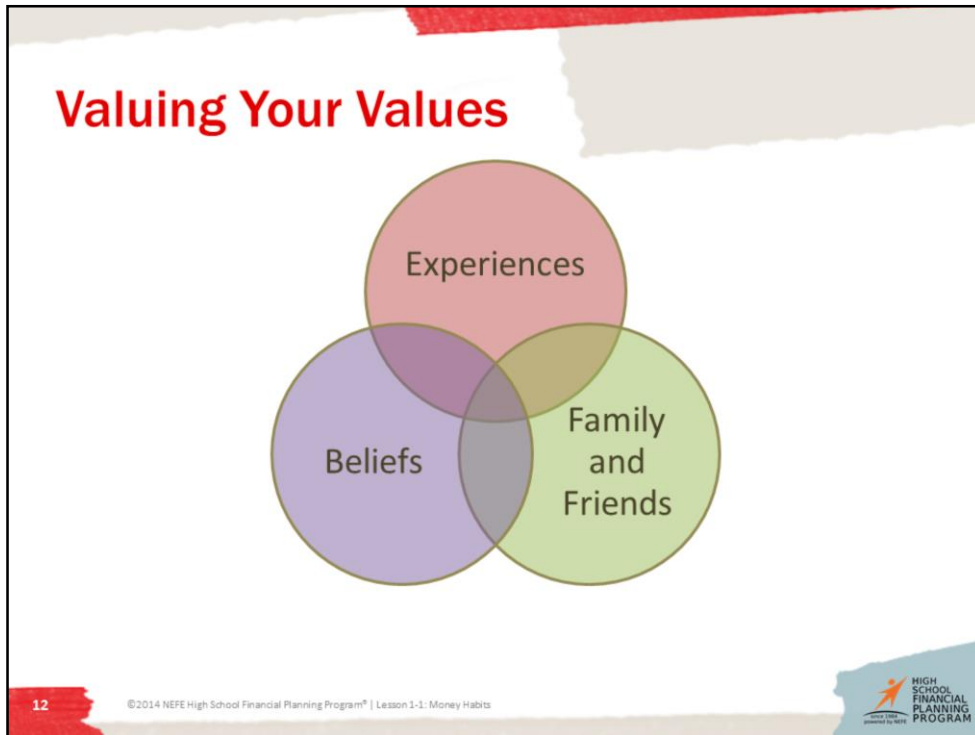
If all of your bills were paid,  
and you found an extra \$100,  
what would you spend it on?

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- ❑ Facilitate the **Values and Spending Survey**. Make sure students understand they are selecting one of two options every time; they will encounter every possible combination of the ten category options.
- ❑ Have students calculate their results from their number 1 priority, the one circled the most, to their number 10 priority, the one circled the least.

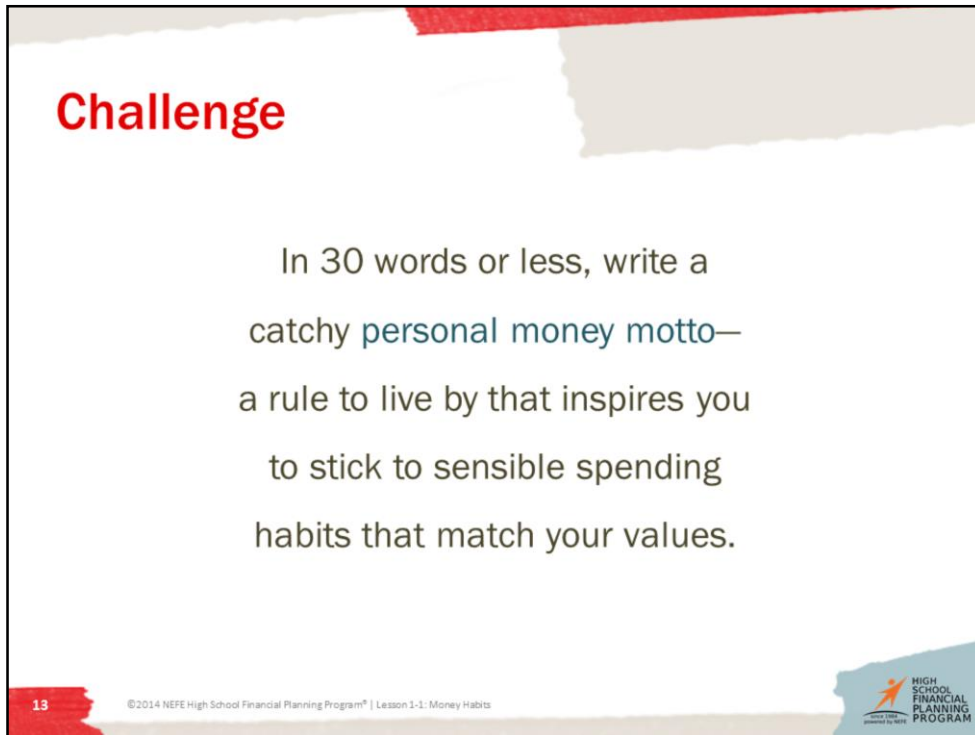


Student Guide, pages 12-13

- ❑ Facilitate a discussion about how values influence our spending habits (page 12). Point out how values differ from person to person. Values will also change as a person moves through life situations such as single to married to single or employed to unemployed.

NOTE: Be sure to impress on students that there are no wrong answers, and that everyone has different values when it comes to money. (This is one reason that money can be such a stressor in a marriage!)

- ❑ Guide students as they complete **Activity 1.5: My Values** (page 13).

A slide with a white background and a torn paper effect at the top. The word "Challenge" is written in red at the top left. The main text is centered and reads: "In 30 words or less, write a catchy personal money motto—a rule to live by that inspires you to stick to sensible spending habits that match your values." At the bottom left, the number "13" is visible. At the bottom right, there is a logo for the "HIGH SCHOOL FINANCIAL PLANNING PROGRAM" with a stylized orange figure and the text "©2014 NEFE High School Financial Planning Program® | Lesson 1-1: Money Habits".

**Challenge**

In 30 words or less, write a catchy **personal money motto**—a rule to live by that inspires you to stick to sensible spending habits that match your values.

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- Guide students to review their values and then create a catchy sentence or phrase that expresses a principle to guide their spending habits.

Note: A motto is a short sentence or phrase that expresses a principle, goal, or ideal that guides the actions of an institution or individual (For a word-count guide, point out that the slide contains 30 words.)

Examples of mottos that might be familiar to students:

- *Think Different* (Apple company)
- *All for one, one for all* (The Three Musketeers)
- *To thine own self be true* (Hamlet)
- *Moderation in all things* (Aristotle)
- *It's not whether you win or lose; it's how you play the game.* (Grantland Rice)

MODULE  
01

**MONEY  
MANAGEMENT:**  
Control Your Cash Flow

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM  
GROW YOUR WEALTH  
EMPOWER YOUR WORLD

The graphic features a collage of torn paper in shades of beige, white, and red. In the center, a black and white photograph of a young man and woman smiling is visible. The text is overlaid on this background in various fonts and colors (white, black, red).

## OVERVIEW

Habits can help you soar to success or keep you panting on the treadmill, with success always out of reach. They're sneaky, too. Because habits are automatic, they kick in before you can stop to think about how they're going to help you or hurt you in the long run.

Today's lesson will help you examine and better understand your current habits, spending values and money attitudes, and how these can impact your relationships and financial future.

## LEARNING OUTCOMES

In this lesson you will explore how spending, saving and values impact your finances.

Along the way you will:

- Discuss the value of having a process to plan how you will use your money.
- Give examples of sensible and unwise spending decisions and behaviors.
- Compare spending priorities.

Use what you learn to outline a personal money motto that describes how you value and use money.

## LEARNING TASKS

These tasks match pages 3-13 in Student Guide 1.

__ 1.	Can you think of a time when you bought something on impulse or overspent money on something you didn't need? When have you ever wasted money on something and wished you hadn't?
__ 2.	Complete <b>Activity 1.1: My Money Habits</b> to evaluate your money habits.
__ 3.	List what you spent money on in the past week as you complete <b>Activity 1.2: My Disappearing Dollars</b> .
__ 4.	Sometimes we make poor spending decisions because we confuse wants and needs. Participate in a game that forces you to choose. Be prepared to defend your answers!
__ 5.	Complete <b>Activity 1.4: My Needs and Wants</b> to categorize items you recently purchased.
__ 6.	Think about the question, "If all of my bills were paid, and I 'found' an extra \$100, what would I spend it on?" Complete a survey to assess your money values. Complete <b>Activity 1.5: My Values</b> to identify what is important to you when spending your money.
__ 7.	In 30 words or less, write a catchy <b>personal money motto</b> —a rule to live by—that inspires you to stick to sensible spending habits that match your values.



## TAKING IT HOME

How do your spending and money values compare to your family's values? Use the Values and Spending Survey task to interview a family member. Compare that person's responses to your response.

In what ways do you share the same spending and money values? In what ways are you two different? How can this information help you both better understand where the other is coming from when it comes to spending money?



## FURTHER STUDY

How DO you spend your money? The more you know about your current spending habits, the better informed you are to create a budget you can stick with and to plan for your future. For the next week, track everything you spend.

Compare your actual spending to your Money Motto and your Values and Spending Survey results. How well do your spending habits match your values?



## Activity 1.1a: My Money Habits

**NAME:**

**DATE:**

**Directions:**

What money habits do you have?

- A. List your money habits.
- B. Mark them as sensible (+), unwise (-) or neutral (N).

We'll come back to finish the right-hand column in this chart later.

Habit	+ / - / N	Possible Impact
<i>Stopping for fast food on the way home every day</i>	-	<i>Since I could wait to eat until I get home, that money could be used for other, more important things</i>
<i>Putting spare change in a jar every night</i>	+	<i>I can use it to buy something I want in a few months</i>

## Activity 1.1b: My Money Habits

**Directions:** Look at your money habits in the left column above. Think about how each habit could affect you in the future. For each unwise habit you listed, write a sensible habit to replace it.

## Activity 1.2: My Disappearing Dollars

**NAME:**

**DATE:**

**Directions:**

How much money did you spend in the past week? What did you buy?

List what you spent money on in the past week (or month) and use the information to gather evidence in the case of Your Disappearing Dollars.

## Activity 1.3: Why Wait?

**NAME:**

**DATE:**

**Directions:**

There are benefits to waiting to buy something. A sample is provided below.

Can you think of two or three additional reasons to hold off on a purchase?

**Reasons to Wait to Buy Something:**

Sample response: *If I don't spend the money now on \_\_\_\_, then I'll have money on hand if something more important to me turns up, such as \_\_\_\_.*

# Activity 1.4: My Needs and Wants: Can I Tell the Difference?



**NAME:**

**DATE:**

How much money did you spend in the past week? What did you buy?

**Directions:**

List what you spent money on in the past week (or month), and use the information to gather evidence in the case of *Your Disappearing Dollars*.

- A. Look at your spending log in Activity 1.2: My Disappearing Dollars.
- B. Write down five things you spent money on.
- C. Decide if each is a need or a want. A practice sample is provided for you.
- D. Review your list.
  - Are you sure your needs are real needs?
  - Do you think your friends or family would agree with your decisions?
  - Are there times when your wants may become a need?

Item	Need?	Want?
<i>Jacket to replace one that is outgrown</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Second jacket that is still in good shape</i>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

# Activity 1.5: My Values



**NAME:**

**DATE:**

**Directions:**

- A. What three or four things are most important to you?
- B. Why is each important to you?

Value	Why it's Important

# Task: Values and Spending Survey

**NAME:**

**DATE:**

**Directions:** Below you will find a list of 45 unique pairs comparing two of 10 different values. Consider the question, "If all of your bills were paid, and you 'found' an extra \$100, what would you spend it on?"

Circle one value for every pair that represents your preference. (NOTE: There are no wrong or trick answers. This exercise will simply give an indication about your spending values.)

8. Recreation (sports/ hobbies)  
5. Charity

9. Social Activities  
3. Clothes/Accessories

1. Savings/Investments  
4. Household

7. Education/Children  
3. Clothes/Accessories

2. Food/Eating Out  
4. Household

5. Charity  
10. Personal Appearance

1. Savings/Investments  
8. Recreation (sports/hobbies)

7. Education/Children  
4. Household

2. Food/Eating Out  
8. Recreation (sports/hobbies)

10. Personal Appearance  
2. Food/Eating Out

9. Social Activities  
5. Charity

10. Personal Appearance  
3. Clothes/Accessories

1. Savings/Investments  
5. Charity

8. Recreation (sports/hobbies)  
3. Clothes/Accessories

2. Food/Eating Out  
5. Charity

6. Travel  
7. Education/Children

1. Savings/Investments  
9. Social Activities

8. Recreation (sports/hobbies)  
4. Household

2. Food/Eating Out  
9. Social Activities

4. Household  
3. Clothes/Accessories

3. Clothes/Accessories  
5. Charity

8. Recreation (sports/hobbies)  
9. Social Activities

5. Charity  
4. Household

6. Travel  
1. Savings/Investments

9. Social Activities  
4. Household

6. Travel  
10. Personal Appearance

10. Personal Appearance  
1. Savings/Investments

5. Charity  
6. Travel

2. Food/Eating Out  
1. Savings/Investments

8. Recreation (sports/hobbies)  
6. Travel

9. Social Activities  
7. Education/Children

6. Travel  
2. Food/Eating Out

10. Personal Appearance  
9. Social Activities

3. Clothes/Accessories  
6. Travel

8. Recreation (sports/hobbies)  
10. Personal Appearance

6. Travel  
4. Household

7. Education/Children  
1. Savings/Investments

10. Personal Appearance  
4. Household

7. Education/Children  
8. Recreation (sports/hobbies)

3. Clothes/Accessories  
2. Food/Eating Out

5. Charity  
7. Education/Children

3. Clothes/Accessories  
1. Savings/Investments

9. Social Activities  
6. Travel

10. Personal Appearance  
7. Education/Children

2. Food/Eating Out  
7. Education/Children

# Task: Values and Spending Survey

A. Add up the number of times you picked each option and write it here:

- Charity \_\_\_\_\_
- Clothes/Accessories \_\_\_\_\_
- Education/Children \_\_\_\_\_
- Food/Eating Out \_\_\_\_\_
- Household \_\_\_\_\_
- Personal Appearance \_\_\_\_\_
- Recreation \_\_\_\_\_
- Savings/Investments \_\_\_\_\_
- Social Activities: \_\_\_\_\_
- Travel \_\_\_\_\_

B. Now rank the categories by writing the item having the greatest number next to number 1. If there is a tie, write the items in the order of your choosing.

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_
- 6. \_\_\_\_\_
- 7. \_\_\_\_\_
- 8. \_\_\_\_\_
- 9. \_\_\_\_\_
- 10. \_\_\_\_\_

List B reflects the items you consider **most important** in their order of importance. Knowing this can help you set priorities for your financial decisions and planning.

Compare this priority list to your recent financial decisions and goals. How do your values and priorities match your recent spending and saving actions?

TIP: Keep this list available to reference as you make money decisions.