

Module Target Learning Outcome

Manage personal spending to meet financial goals and minimize the impact of financial obstacles.

Lesson	Target Competencies and Supporting Objectives	Activities	Pages
1-1 Money Habits	Explore how spending, saving and values impact your finances. <ul style="list-style-type: none"> ▪ Discuss the value of planning how money is used. ▪ Give examples of sensible and unwise spending decisions and behaviors. ▪ Compare spending priorities. 	Activity 1.1: My Money Habits Activity 1.2: My Disappearing Dollars Activity 1.3: Why Wait? Activity 1.4: My Needs and Wants Activity 1.5: My Values Stop Drop and Think Before You Buy Test Task: Values and Spending Survey Assessment: My Personal Money Motto Taking it Home: Compare Values	3-13
1-2 Goals	Set financial goals that are specific and measurable. <ul style="list-style-type: none"> ▪ Discuss how personal goals can be achieved through money goals. ▪ Explain how to write an effective financial goal. ▪ Discuss how to prioritize actions while working to achieve several goals at the same time. 	Activity 1.6: SMART Goal Makeover Task: SMART Goal Rework Assessment Challenge 1-A: My SMART Goals Taking it Home: Talk to Adult About Goals	13-19
1-3 Decisions	Apply strategies to be mindful about spending decisions. <ul style="list-style-type: none"> ▪ Discuss what influences spending decisions. ▪ Identify tools and strategies to manage spending habits. ▪ Demonstrate how the decision-making process works. 	Task: DECIDE on a Car Assessment Challenge 1-B: My Decision Taking it Home: Family Spending Decision	19-21
1-4 Spending Plan	Create a spending plan to reach your goals. <ul style="list-style-type: none"> ▪ Discuss how a spending plan helps manage spending habits. ▪ Describe what a spending plan is. ▪ Explain how to use a spending plan. 	Activity 1.7: My Income Activity 1.8: My Expenses Task: Maya's Spending Plan Assessment Challenge 1-C: My Spending Plan Taking it Home: Jump\$tart Reality Check	22-31
1-5 Cash Flow	Figure out ways to maintain a positive cash flow. <ul style="list-style-type: none"> ▪ Identify how to plug spending leaks. ▪ List strategies to stick to a spending plan. ▪ Discuss ways to be prepared for unexpected money events. 	Activity 1.9: My Income Options Activity 1.10: My Spending Leaks Game: Green Reaper Task: Money Flow Letter Task: Self Management Assessment Assessment Challenge 1-D: My Action Plan Taking it Home: Spendster Videos	31-40

Introduction to Lessons

Lesson 1-1: Money Habits

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.

In this lesson, students examine their current habits, spending values and money attitudes to better understand how values and attitudes can impact relationships and financial decisions.

Lesson 1-2: Goals

If you were giving a birthday party for your friend, would you just throw it all together at the last minute? Of course not! You would decide on the goal (a great birthday party) and work backward to figure out everything you'd need to do to make it happen.

You should do exactly the same thing with your money. Many people spend, spend, spend, and then wonder why they're short of funds when it's time to pay the bills or why they never have the money for the things they really want. If they had set clear goals, created plans to achieve them, and worked the plans as faithfully as they watch their favorite TV shows, they'd be much less stressed and a whole lot happier.

In this lesson, students plan goals that will achieve their desired financial results.

Lesson 1-3: Decisions

Making decisions about money can be hard. Sometimes you have to sacrifice what you're dying to have now for what you really want—but can't have—until later. Sometimes the best choice for you will disappoint a friend. And if you're in a relationship, there may be times when you have to put off your wants to focus on your partner's. There's rarely a perfect solution.

When you can't count on a steady income stream, making decisions about money can be even harder. All you can do is make the best decision you can with the information you have at the time.

In this lesson, students learn about strategies to be mindfully deliberate about spending decisions.

Lesson 1-4: Spending Plan

You've analyzed what you've been spending money on and set some SMART goals to strive for. Now, the rubber meets the road and it's time to start making it happen. Your next step is to create the road map that will guide you to your destination: success.

Your map is a spending plan or budget. It should detail exactly how you're going to use your money to pay for the things you want. An effective spending plan not only multiplies your chances of success, it also helps make the journey faster and easier.

In this lesson, students practice the skills needed to create an effective spending plan.

Lesson 1-5: Cash Flow

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.

In this lesson, students explore strategies to maintain a positive cash flow.

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) 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 (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>PROCEDURE TIME ESTIMATE: 10 minutes</p> <p><input type="checkbox"/> [optional] Show a short video from 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.</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><u>Game Guidelines:</u></p> <ul style="list-style-type: none"> - Don't talk about other students or teachers. - Moderator resumes right to reject a slip. <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 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).</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>www.spendster.org video</p>
<p>2. Complete Activity 1.1: My Money Habits to evaluate your money habits.</p>	<p>PROCEDURE TIME: 10 min.</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"> 3 – Preview 4 – Meet Michael and Selena 5 – Money Habits 6 – Latte Factor 7 – Latte Factor responses 8 – Consequences <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 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).</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"> ▪ 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. <p><input type="checkbox"/> [Slide 8] Guide students to complete Activity 1.1b: My Money Habits to rewrite their money habits. (page 7)</p>	
<p>3. List what you spent money on in the past week as you complete Activity 1.2: My Disappearing Dollars.</p>	<p>PROCEDURE TIME: 5 min.</p> <p><input type="checkbox"/> Ask students what they spent money on in the past week as they complete Activity 1.2: My Disappearing Dollars (page 8).</p> <p><input type="checkbox"/> Be prepared to use student responses for the next task and for Activity 1.4: My Wants and Needs.</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 TIME: 10 min.</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"> - car - Internet access - athletic shoes - glasses - dog - cellphone - business suit - laptop computer - house - gym membership <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 Activity 1.4: My Needs and Wants to categorize items you recently purchased.</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> 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.</p> <p><input type="checkbox"/> [Slide 10] 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.</p> <p>EXTENSION: As time allows, arrange for students to work independently or in pairs to respond to Activity 1.3: Why Wait?</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 Activity 1.5: My Values.</p>	<p>PROCEDURE: TIME: 15 min.</p> <p><input type="checkbox"/> [Slide 11] 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.</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 Activity 1.5: My Values.</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 personal money motto—a rule to live by—that inspires you to stick to sensible spending habits that match your values.</p>	<p>PROCEDURE In-class or out-of-class assignment</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"> – <i>Think Different</i> (Apple company) – <i>All for one, one for all</i> (The Three Musketeers) – <i>To thine own self be true</i> (Hamlet) – <i>Moderation in all things</i> (Aristotle) – <i>It's not whether you win or lose; it's how you play the game.</i> (Grantland Rice) 	<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 Out-of-class assignment</p> <p><input type="checkbox"/> Guide students to use the Values and Spending Survey 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: Out-of-class assignment</p> <ul style="list-style-type: none"> <input type="checkbox"/> Decide how long students have to track their personal spending. <input type="checkbox"/> Review the directions. Let the students know that they need to document expenditures by getting receipts, whenever possible. <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" www.extension.iastate.edu/publications/PM1918.pdf</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. 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

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- 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 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 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?

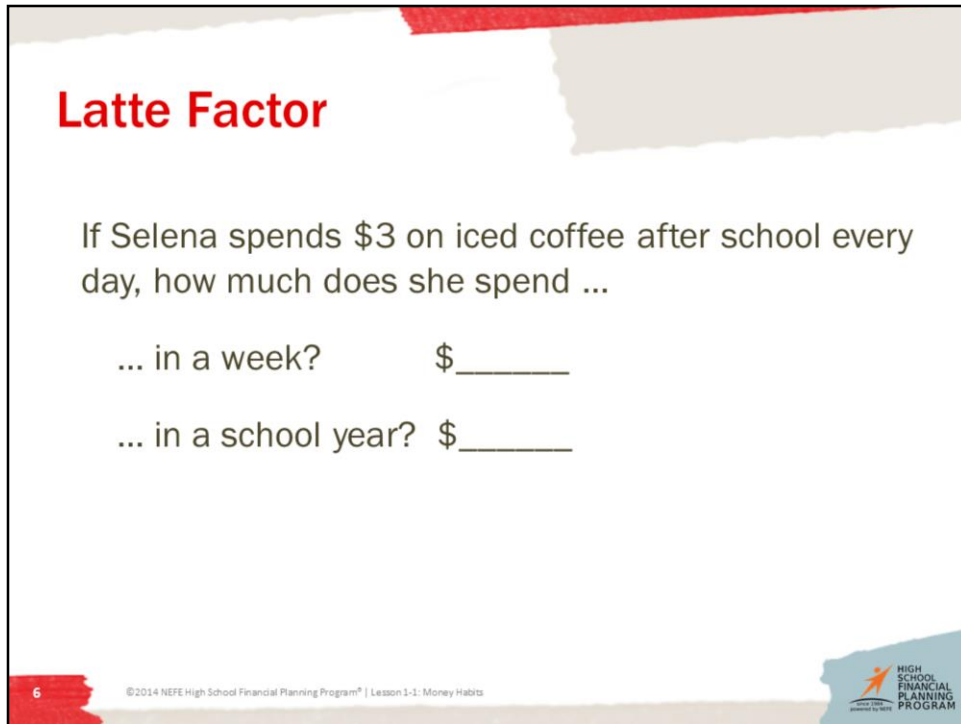
- Stopping for fast food on the way home from school every day.
- Putting spare change in a jar every night.

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

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 \$\$\$

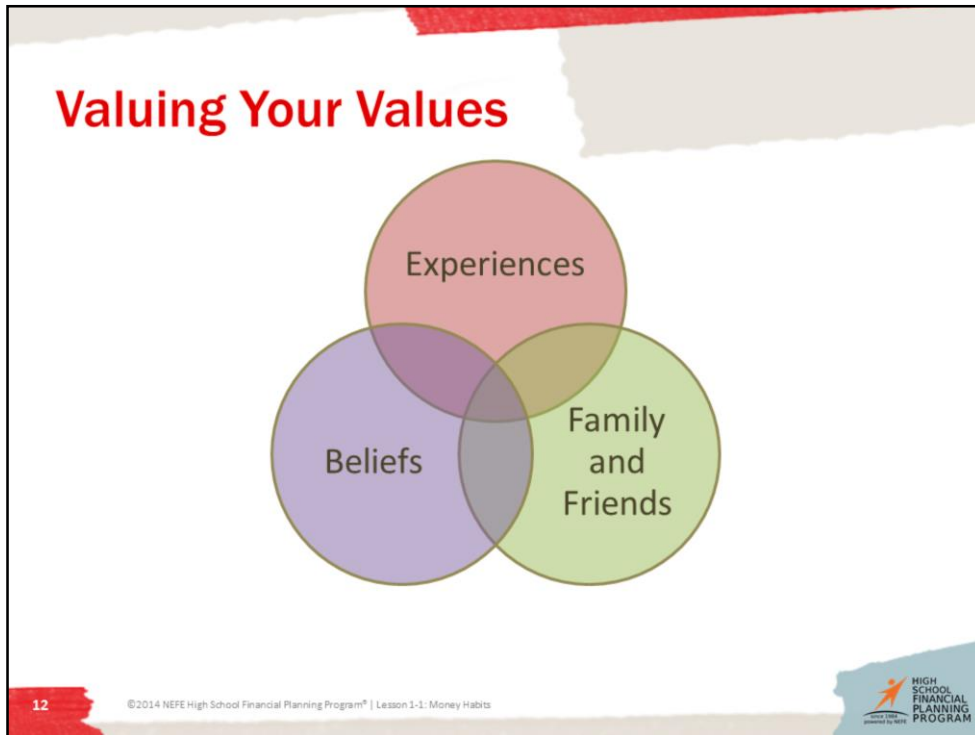
If all of your bills were paid,
and you found an extra \$100,
what would you spend it on?

11

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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.

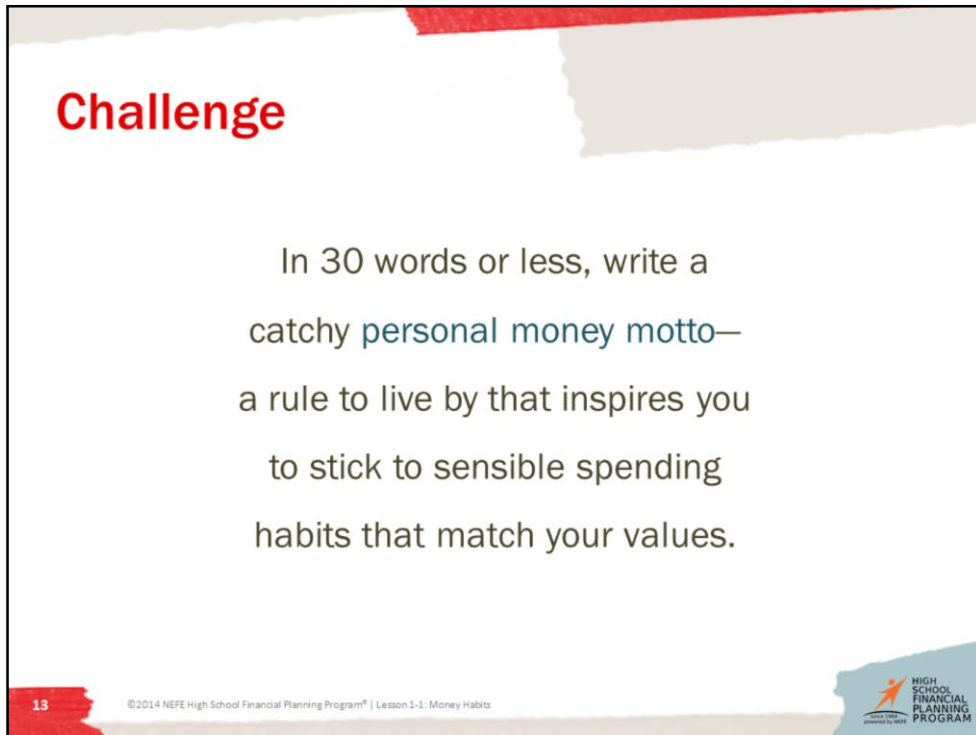


Student Guide, pages 12-13

- ❑ 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 red and grey torn-paper effect at the top. The word "Challenge" is written in red. 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 is the number "13". At the bottom center is the copyright notice "©2014 NEFE High School Financial Planning Program® | Lesson 1-1: Money Habits". At the bottom right is the logo for the High School Financial Planning Program, featuring an orange star and the text "HIGH SCHOOL FINANCIAL PLANNING PROGRAM".

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.

13

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

- 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)



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 Activity 1.1: My Money Habits to evaluate your money habits.
__ 3.	List what you spent money on in the past week as you complete Activity 1.2: My Disappearing Dollars .
__ 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 Activity 1.4: My Needs and Wants 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 Activity 1.5: My Values to identify what is important to you when spending your money.
__ 7.	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.



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.

OVERVIEW

If you were giving a birthday party for your friend, would you just throw it all together at the last minute? Of course not! You would decide on the goal (a great birthday party) and work backward to figure out everything you'd need to do to make it happen.

You should do exactly the same thing with your money. Many people spend, spend, spend, and then wonder why they're short of funds when it's time to pay the bills or why they never have the money for the things they really want. If they had set clear goals, created plans to achieve them, and worked the plans as faithfully as they watch their favorite TV shows, they'd be much less stressed and a whole lot happier.

Today's lesson will help you figure out your desired financial results and help you plan goals that will get you there.

LEARNING OUTCOMES

In this lesson students will set financial goals that are specific, measurable, attainable, relevant, and time-bound.

Along the way they will:

- Discuss how personal goals can be achieved through money goals.
- Explain how to write an effective financial goal.
- Discuss how to prioritize actions while working to achieve several goals at the same time.

Students will use what they learn to write personal financial goals for their spending, particularly for large purchases.

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 13-19 and the Appendix.
- Print or download the Student Learning Guide and the student handouts for this lesson so each student has a copy.

WHAT YOU WILL NEED

- Module 1 Student Guide (pages 13-19)
- PowerPoint Presentation 1-2
- Student Learning Plan 1-2
- Activity 1.6: SMART Goal Makeover
- Task: SMART Goal Rework
- Challenge 1-A: My SMART Goals (Performance Assessment)

NOTES:

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

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>1. Brainstorm examples of big-ticket items teens might pay for while in high school and when transitioning into young adulthood.</p>	<p>PROCEDURE TIME ESTIMATE: 5 minutes</p> <p><input type="checkbox"/> [Slide 2] Display this slide as students brainstorm situations when a teen or young adult will purchase a big-ticket item (more than \$100) during the year and in near future years as a young adult. Guide students to quietly write for a minute to list their responses without a pause in writing.</p> <p><input type="checkbox"/> After a minute, arrange for students to share their lists either with a partner or as a whole class. Be prepared to use specific responses as examples throughout the lesson. Additional situations are listed in the Student Guide (page 14).</p> <p><input type="checkbox"/> [Slide 3] Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out that having financial goals can help to make personal goals a reality. Having personal financial goals, even small goals, can help students take some control over their current and future life situations.</p> <p>By the end of this lesson, your students should be able to write specific and measurable financial goals that are realistic for their current situations.</p>	<p>Module 1 Student Guide</p> <p>Student Learning Plan 1-2</p> <p>STUDENT GUIDE Page 14</p> <p>SLIDES 2 – Teen Spending 3 – Preview</p>
<p>2. Participate in a discussion about the consequences of NOT having goals.</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> [Slide 4] Display the Littrell quote as you lead a discussion about the value of establishing goals.</p> <p style="text-align: center;"><i>“Shoot for the moon. Even if you miss, you’ll land among stars.”</i> Musician Brian Littrell</p> <p><input type="checkbox"/> Point out that goal setting begins by identifying the desired end result. Use the party planning scenario as an example. (page 13)</p> <p><input type="checkbox"/> As time allows, invite students to consider the planning needed to prepare for a family trip or school travel event (individually for their own situation, whole group for the family trip planning). As information is shared, point out how a chain of events can be derailed if something is missing from the plan (or if there is no plan in place).</p>	<p>STUDENT GUIDE Pages 13-14</p> <p>SLIDE 4 – Littrell quote</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>3. Help Michael and Selena write specific financial goals as you complete Activity 1.6: SMART Goal Makeover.</p>	<p style="text-align: right;">PROCEDURE TIME: 15 min.</p> <p><input type="checkbox"/> Guide students to read Michael’s and Selena’s goals (page 14). Ask the students if they think Selena or Michael will successfully achieve their goals and why.</p> <p><input type="checkbox"/> Use Slides 5-10 to introduce students to the SMART Goal model (page 15). Point out questions they might ask as they aim to write goals that are specific, measurable, attainable, relevant, and time-bound. Refer to Michael’s more specific goal to get new tires as an example, or select a different scenario to illustrate how the guiding questions are used to formulate a goal that is SMART.</p> <p><input type="checkbox"/> [Slide 11] Guide students to work with in pairs to complete Activity 1.6: SMART Goal Makeover (page 16). If time allows, arrange for each pair to share responses with another group.</p> <p>Answers will vary. Student should self and peer assess responses for evidence that makeovers are SMART.</p>	<p>STUDENT GUIDE Pages 14-16</p> <p>SLIDES 5 – SMART Goals 6 – Is the Goal Specific? 7 – Is the Goal Measurable? 8 – Is the Goal Attainable? 9 – Is the Goal Relevant? 10 – Is the Goal Time-Bound? 11 – Goal Makeover</p> <p>ACTIVITY 1.6: SMART Goal Makeover</p>
<p>4. So you’ve helped Selena and Michael create SMART goals, Let’s practice some more.</p> <p>Your teacher will give you a goal that is vague. Make it SMART by adding the missing details!</p>	<p style="text-align: right;">PROCEDURE TIME: 15 min.</p> <p><input type="checkbox"/> Students can do this on their own or in small groups. Provide each student with one of the following goal statements (or create your own statements that may be more relevant to your students’ lives). Guide students to use the questions on page 15 to add details to the assigned goal statements.</p> <ul style="list-style-type: none"> a. Save some money to buy a motorcycle b. Go on a white-water rafting trip this summer c. Go somewhere fun for Spring Break d. Buy a new gaming system e. Save money to buy a new smart phone <p><input type="checkbox"/> Guide students to analyze the different elements of the goal and add what is needed for each elements of the “SMART” acronym. Model one rewrite if that is helpful to get the students started.</p> <p>Note: Students will be able to create clearly defined goals if able to research accurate data from the Internet. For example: research the cost of a motorcycle, look up local spots for white-water rafting, or compare prices for Spring Break destinations.</p>	<p>STUDENT GUIDE Page 15</p> <p>SLIDE 12 – SMART Goals</p> <p>ACTIVITY Task: SMART Goal Rework</p> <p>PROPS Goal Statements</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> Arrange for students or groups to exchange goals to peer review the revised goals for completeness or missing elements.</p> <p>Example to model goal-writing process:</p> <p>Original goal: <i>To get a new pair of shoes.</i></p> <p>S= <i>What kind of shoes?</i> Possible answer: new pair of sneakers</p> <p>M= <i>How much are the shoes? How long do I have to save?</i> Possible answer: The shoes are \$69 but the sales guy told me they would go on sale next month at 20 percent off. So, I have one month to save if I want a cheaper price.</p> <p>A= <i>What resources do I have available to achieve the goal?</i> Possible answer: I can walk dogs, babysit, and mow lawns for my neighbors. I know I can earn at least \$20 a week.</p> <p>R= <i>Do I really need a new pair of shoes right now?</i> Possible answer: Yeah, my current shoes are pretty ratty.</p> <p>T= <i>When do I need to get these shoes?</i> Possible answer: I want to get them now, but would rather wait for the sale price.</p> <p>New SMART goal: <i>To save \$20 a week for the next four weeks to purchase a new pair of sneakers (cost = \$55.20 + tax)</i></p>	
<p>5. Decide how to juggle multiple goals by participating in an activity to prioritize goals.</p>	<p>PROCEDURE TIME: 5 min.</p> <p><input type="checkbox"/> Ask students to respond to a “What if” scenario: What if one person [use Michael, Selena, or pick another name] was the person who wanted to achieve all of the goals discussed in the previous activity? Ask students to volunteer suggestions for strategies that person might use to meet (or adjust) the goals.</p> <p><input type="checkbox"/> Display Slide 13 as you differentiate between short-term, medium, and long-term goals. Point out that long-term goals can seem overwhelming and maybe impossible unless they are broken into smaller, manageable short-term or medium goals. Give examples such as Michael’s short-term goal (three months) to buy tires or Selena’s long-term goal (four years) to set up an emergency fund. [page 16]</p>	<p>STUDENT GUIDE Pages 17-18</p> <p>SLIDES 13 – Plan Ahead; Delay Spending 14 – More Than One Goal—Set Priorities</p> <p>PROPS Goal Statements from previous activity</p>

Lesson 1-2: Goals

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> Point out the value of having a plan in place to be positioned to stay on track when tempted to impulse buy or to use windfalls to achieve pre-set goals. For example, knowing that Michael set the goal to save \$40 each paycheck (page 16), did he make a good choice about buying a new jacket (page 8)?</p> <p><input type="checkbox"/> Point out that when goals are meaningful, the odds improve that the goals will be achieved. Use Slide 14 and Selena’s library book situation (page 18) to guide students to consider the value of finding meaning in goals, especially goals they are required to meet. Ask students to give examples of financial goals that they might be obligated to address because of necessity rather than want. As time allows, ask students to volunteer examples of goals students may feel forced to plan for.</p>	
<p>6. Time to apply this skill to your life as you complete Challenge 1-A: My SMART Goals.</p>	<p>PROCEDURE In-class or out-of-class assignment</p> <p><input type="checkbox"/> Guide students to create their own personal financial goals as they complete Challenge 1-A: My SMART Goals.</p> <p><input type="checkbox"/> Instruct students to write at least one short-term, one medium, and one long-term personal finance goal using the SMART model.</p>	<p>STUDENT GUIDE Pages 15, 19</p> <p>SLIDE 15 - Challenge 1-A: SMART Goals</p> <p>ACTIVITY Challenge 1-A My SMART Goals</p>
<p>EXTENSION</p> <p>Write SMART goals for a club or school group.</p>	<p>PROCEDURE In-class or out-of-class assignment</p> <p><input type="checkbox"/> The more the group knows about their selected club, sport or organization, the better. If it is possible for them to interview a leader or sponsor for that organization, it will make it easier for the group to create a more authentic goal. However, if time is short or an interview is not possible, then students can resort to Internet research, or their own existing knowledge of the organization, its goals and capabilities.</p>	
<p>TAKING IT HOME</p> <p>Talk with your parents/guardians about their goals.</p>	<p>PROCEDURE Out-of-class assignment</p> <p><input type="checkbox"/> You can opt to hold the students accountable to the same grading requirements as for their personal goals. If it is too difficult for them to create a family goal from each goal category, have them brainstorm a list with their parents/guardians and pick one or two that provide the best information for a SMART goal.</p>	

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>FURTHER STUDY</p> <p>Write out steps to take towards achieving your goals</p>	<p>PROCEDURE: In-class or out-of-class assignment</p> <ul style="list-style-type: none"> <input type="checkbox"/> Consider making it a part of the assignment to have the students devise their own method for tracking this information (using Word, Excel, pencil-and-paper, online project management software, etc.) <input type="checkbox"/> Have students report back to you weekly on all goal-related activities, benchmarks and progress. Be prepared to counsel students if the goal becomes impossible to achieve (student loses job), irrelevant (sports team lost and no longer eligible for state competition), or students are encountering minor set-backs (failed driver's license test but will retake it). <input type="checkbox"/> Once each student has achieved (or abandoned) a goal, have that student write a reflection based on the directions provided to the students. 	<p>PROPS</p> <p>A means to track expenditures (paper and calculator, software, checkbook register, or envelope)</p>

 **EXTENSION**

Goal setting applies to clubs and organizations similarly as to individuals. But just like lack of planning can sabotage your efforts, the same can happen to a school club. So see if you can use your newfound knowledge to help make a difference! Get into a small group of four to five students. Think of a school club, organization, sport or community group in need of money. Maybe they need the cash for a trip, equipment, or an activity. Do some research and answer the questions below. Then, write a SMART goal that will help this organization realize their dreams!

 **TAKING IT HOME**

Talk with your parents/guardians about any goals that they may have (short-term, medium, long-term). See if you can help make their goals more "SMART."

 **FURTHER STUDY**

Select a short-term SMART goal and write out ten specific steps you are going to take, including due dates for each step. Track your progress. If you were unable to achieve a step in your process, see if you need to adjust your goal to make it more relevant and attainable.

Once you have achieved your goal or decided to abandon your goal, write a journal entry reflecting on the SMART goal process. How did it help you achieve your goal? Would you have been as successful without the SMART goal? If you abandoned your goal, why did you need to do that? Did SMART goal planning save you time when deciding to change or abandon your goal?

MODULE
01

**MONEY
MANAGEMENT:**
Control Your Cash Flow

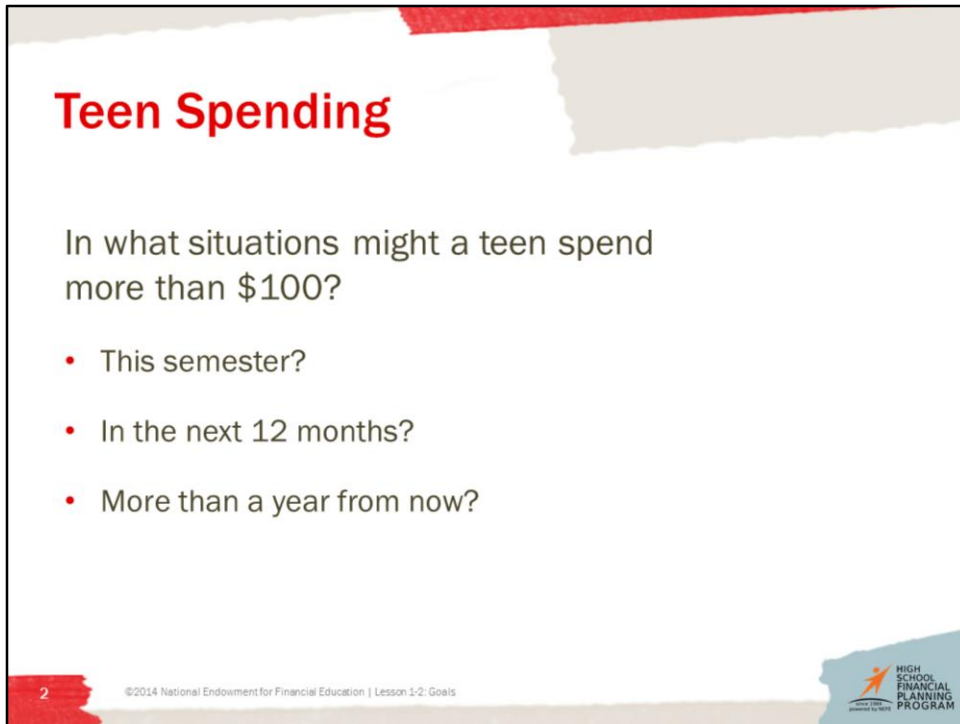
WWW.HSFPP.ORG

HIGH SCHOOL FINANCIAL PLANNING PROGRAM
ESTABLISHED 1998

The image is a promotional graphic for a financial planning module. It features a collage of three photographs: three students (two girls and one boy) looking at a laptop, a girl sitting on a bench outdoors, and a close-up of a smiling young man. The text is overlaid on a white and grey background with red brushstroke accents. The main title 'MONEY MANAGEMENT:' is in a large, bold, black font, with 'Control Your Cash Flow' in a smaller, red, italicized font below it. The module number 'MODULE 01' is on the left, and the website 'WWW.HSFPP.ORG' is at the bottom left. The program logo is at the bottom right.



- ☐ Display this slide as you transition into the lesson.



Teen Spending

In what situations might a teen spend more than \$100?

- This semester?
- In the next 12 months?
- More than a year from now?

2

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, page 14

- Display this slide as students brainstorm situations when a teen or young adult will purchase a big-ticket item (more than \$100) during the year and in future years as a young adult. Guide students to quietly write for a minute to list their responses without a pause in writing.
- After a minute, arrange for students to share their lists either in partners or as a whole class. Be prepared to use specific responses as examples throughout the lesson. Additional situations are listed in the Student Guide.

Preview

Today we will answer these questions:

- How can your personal goals be achieved through money goals?
- How do you write an effective financial goal?
- How do you prioritize actions while working to achieve several goals at the same time?

Use what you learn today to
write financial goals for big-ticket items.

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- Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out that having financial goals can help to make personal goals a reality. Having personal financial goals, even small goals, can help students take some control over their current and future life situations.

By the end of this lesson, your students should be able to write specific and measurable financial goals that are realistic for their current situations.



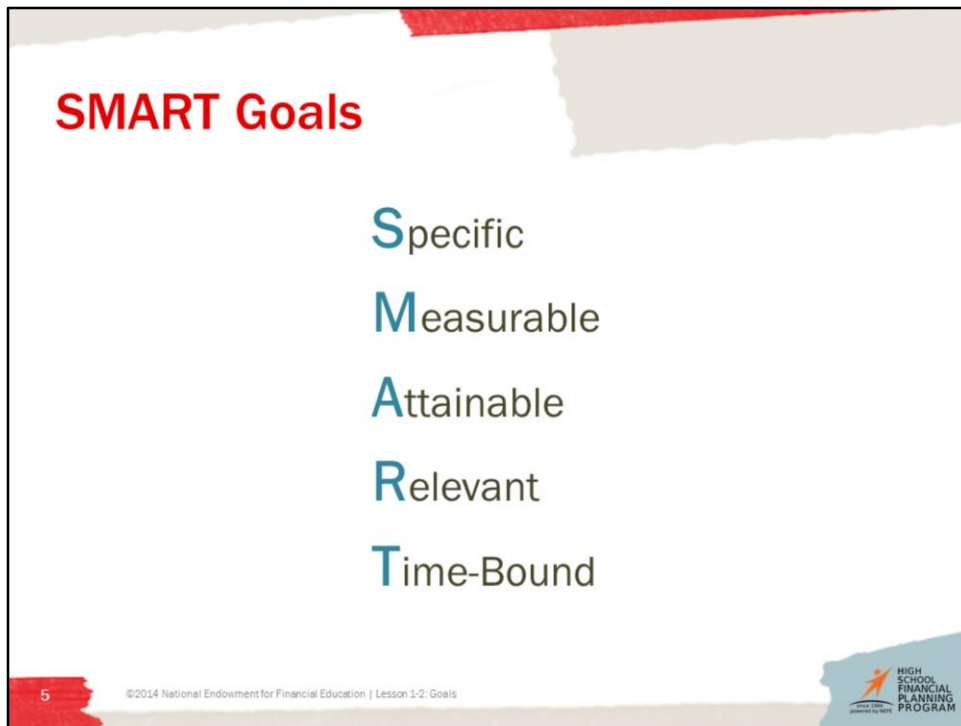
Student Guide, pages 13-14

- Display the Littrell quote as you lead a discussion about the value of establishing goals.

“Shoot for the moon. Even if you miss, you’ll land among stars.”

Musician Brian Littrell

- Point out that goal setting begins by identifying the desired end result. Use the party planning scenario as an example. (page 13)
- As time allows, invite students to consider the planning needed to prepare for a family trip or school travel event (individually for their own situation, whole group for the family trip planning). As information is shared, point out how a chain of events can be derailed if something is missing from the plan (or if there is no plan in place).




Student Guide, pages 14-15

- ❑ Guide students to read Michael’s and Selena’s goals (page 14). Ask the students if they think Selena or Michael will successfully achieve their goals and why.
- ❑ Use Slides 5-10 to introduce students to the SMART Goal model (page 15). Point out questions they might ask as they aim to write goals that are specific, measurable, attainable, relevant, and time-bound. Refer to Michael’s more specific goal to get new tires as an example, or select a different scenario to illustrate how the guiding questions are used to formulate a goal that is SMART.

Is the Goal Specific? page 15

- What exactly needs to be accomplished?
- Who else will be in involved?
- Where will this take place?
- Why do I want to accomplish this goal?

Mike needs to replace all four tires on his car because the treads are worn out.

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Student Guide, pages 14-15

- ❑ Use Slides 5-10 to introduce students to the SMART Goal model (page 15). Point out questions they might ask as they aim to write goals that are specific, measurable, attainable, relevant, and time-bound. Refer to Michael's more specific goal to get new tires as an example, or select a different scenario to illustrate how the guiding questions are used to formulate a goal that is SMART.

Is the Goal Measurable ?

- How will I know I have succeeded?
- How much change needs to occur?
- How many actions will it take?

Mike needs to have tires on his car with treads that provide good traction when driving in snow and rain conditions.

1. Find out how much new tires will cost.
2. Save the money to buy tires.
3. Schedule an appointment to replace tires.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 14-15

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Is the Goal Attainable?

- Do I have, or can I get, the resources needed to achieve the goal?
- Is the goal a reasonable stretch for me? (neither out of reach nor too easy)
- Are the actions I plan to take likely to bring success?

Mike has money saved and is also working, so he can pay for the new tires. He also can compare prices at three businesses near his house.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 14-15

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Is the Goal Relevant?

- Is this a worthwhile goal for me right now?
- Is it meaningful to me?
- Will it delay or prevent me from achieving a more important goal?
- Am I willing to commit to achieving this goal?

Mike wants to replace his current, worn-out tires for new tires. This will improve fuel efficiency and reduce the risk of having a flat tire at an inconvenient time.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 14-15


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Is the Goal Time-Bound?

- What is the deadline for reaching the goal?
- When do I need to take action?
- What can I do today?

Mike wants to replace his tires soon, preferably by the end of next month. By the end of this week, he will request three quotes to compare tire prices.

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Student Guide, pages 14-15

- ❑ Use Slides 5-10 to introduce students to the SMART Goal model (page 15). Point out questions they might ask as they aim to write goals that are specific, measurable, attainable, relevant, and time-bound. Refer to Michael's more specific goal to get new tires as an example, or select a different scenario to illustrate how the guiding questions are used to formulate a goal that is SMART.

Goal Makeover

page 16

What's wrong with each of these goals?
How do you recommend improvement so they are SMART?

Selena

- Save \$200 for a trip to the outlet mall.
- Buy a new MP3 player.

Michael

- Save money for college next year.
- Buy a new computer in January.

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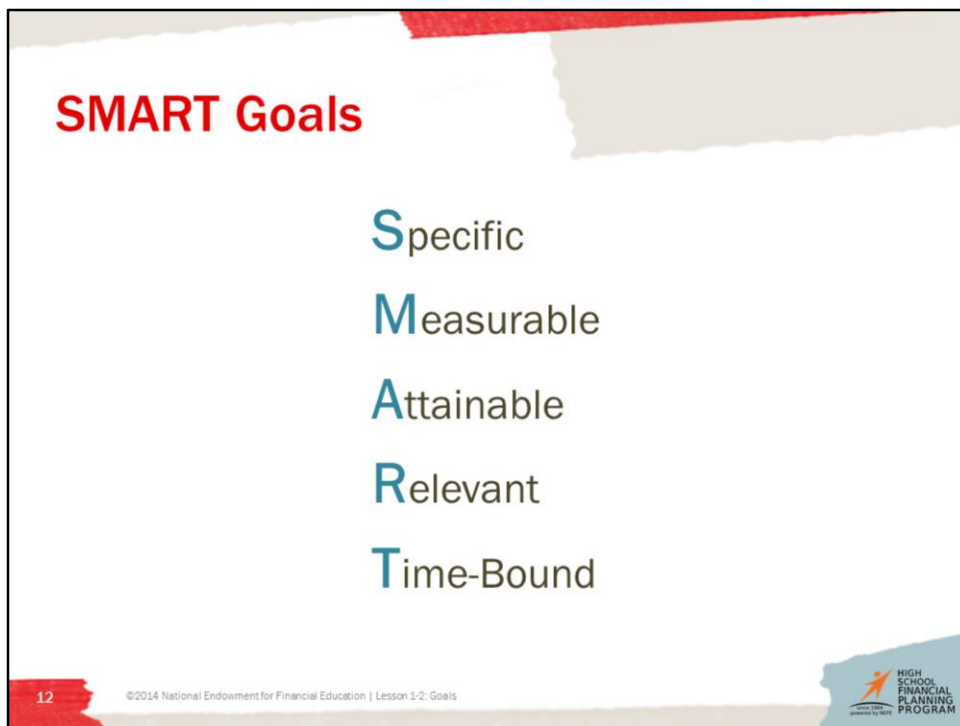
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Student Guide, page 16

- ❑ Guide students to work in pairs to complete **Activity 1.6: SMART Goal Makeover**. If time allows, arrange for each pair to share responses with another group.

Answers will vary. Students should self and peer assess responses for evidence that makeovers are SMART.



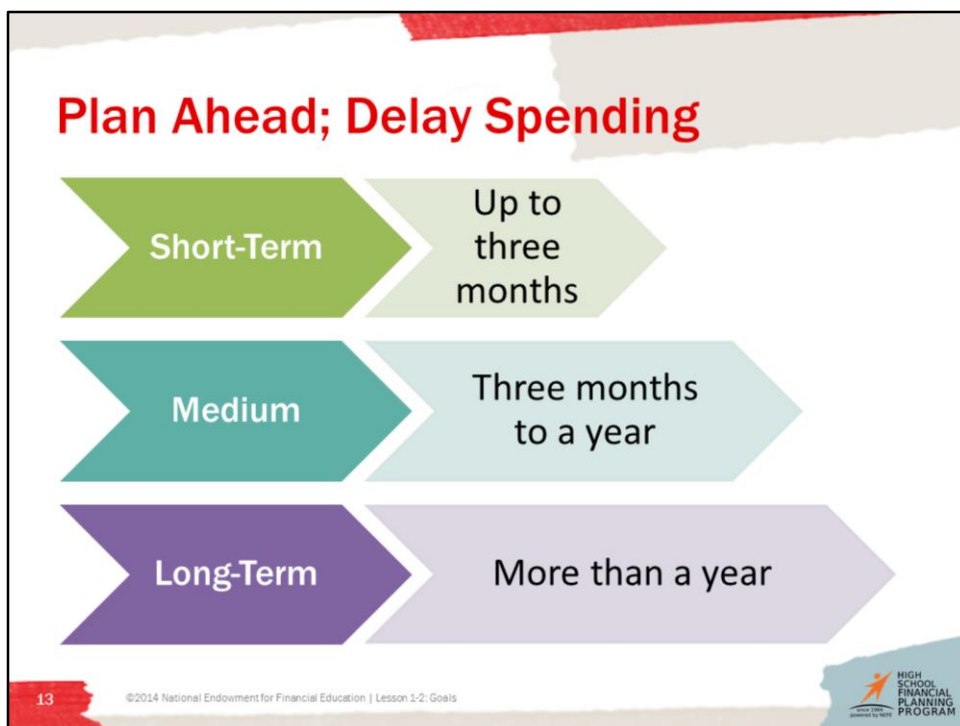
Student Guide, page 15

- Students can do this on their own or in small groups. Provide each student with one of the following goal statements (or create your own statements that may be more relevant to your students' lives). Guide students to use the questions on page 15 to add details to the assigned goal statements.
 - a. Save some money to buy a motorcycle
 - b. Go on a white-water rafting trip this summer
 - c. Go somewhere fun for Spring Break
 - d. Buy a new gaming system
 - e. Save money to buy a new smart phone

- Guide students to analyze the different elements of the goal and add what is needed for each elements of the "SMART" acronym. Model one rewrite if that is helpful to get the students started.

Note: Students will be able to create clearly defined goals if able to research accurate data from the Internet. For example: research the cost of a motorcycle, look up local spots for white-water rafting, or compare prices for Spring Break destinations.

- Arrange for students or groups to exchange goals to peer review the revised goals for completeness or missing elements. (An example is provided in the Teacher Lesson Plan.)



Student Guide, pages 17-18

- ❑ Ask students to respond to a “What if” scenario: What if one person [use Michael, Selena, or pick another name] was the person who wanted to achieve all of the goals discussed in the previous activity? Ask students to volunteer suggestions for strategies that person might use to meet (or adjust) the goals.
- ❑ Display this slide as you differentiate between short-term, medium, and long-term goals. Point out that long-term goals can seem overwhelming and maybe impossible unless they are broken into smaller, manageable short-term or medium goals. Give examples such as Michael’s short-term goal (three months) to buy tires or Selena’s long-term goal (four years) to set up an emergency fund. (page 16)
- ❑ Point out the value of having a plan in place to be positioned to stay on track when tempted to impulse buy or to use windfalls to achieve pre-set goals. For example, knowing that Michael set the goal to save \$40 each paycheck (page 16), did he make a good choice about buying a new jacket (page 8)?

More Than One Goal → Set Priorities

On a scale of 1 (not at all) to 5 (extremely),
how important is achieving this goal to me?

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Student Guide, pages 17-18

- ❑ Point out that when goals are meaningful, the odds improve that the goals will be achieved. Use information in this slide and Selena's library book situation (page 18) to guide students to consider the value of finding meaning in goals, especially goals they are required to meet.
- ❑ Ask students to give examples of financial goals that they might be obligated to address because of necessity rather than want. As time allows, ask students to volunteer examples of goals students may feel forced to plan for.

A presentation slide with a white background and a red and grey torn-paper style border at the top. The title "Challenge 1-A: Smart Goals" is in red. The main text is in black, with "financial goals" in blue. The footer contains the number "15", copyright information, and the program logo.

Challenge 1-A: Smart Goals

Create at least three **financial goals** that are specific, measureable, attainable, relevant to your life, and time-bound.

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Student Guide, page 19

- Guide students to create their own personal financial goals as they complete **Challenge 1-A My SMART Goals**.
- Instruct students to write at least one short-term, one medium, and one long-term personal finance goal using the SMART model.



OVERVIEW

If you were giving a birthday party for your friend, would you just throw it all together at the last minute? Of course not! You would decide on the goal (a great birthday party) and work backward to figure out everything you'd need to do to make it happen.

You should do exactly the same thing with your money. Many people spend, spend, spend, and then wonder why they're short of funds when it's time to pay the bills or why they never have the money for the things they really want. If they had set clear goals, created plans to achieve them, and worked the plans as faithfully as they watch their favorite TV shows, they'd be much less stressed and a whole lot happier.

Today's lesson will help you plan goals that will get you to your desired financial results.

LEARNING OUTCOMES

In this lesson you will set financial goals that are specific, measurable, attainable, relevant, and time-bound.

Along the way you will:

- Discuss how personal goals can be achieved through money goals.
- Explain how to write an effective financial goal.
- Discuss how to prioritize actions while working to achieve several goals at the same time.

You will use what you learn to write personal financial goals for your spending, particularly for large purchases.

LEARNING TASKS

These tasks match pages 13-19 in Student Guide 1.

__ 1.	Brainstorm examples of big-ticket items teens might pay for while in high school and when transitioning into young adulthood.
__ 2.	Participate in a discussion about the consequences of NOT having goals.
__ 3.	Help Michael and Selena write specific financial goals as you complete Activity 1.6: SMART Goal Makeover .
__ 4.	So you've helped Selena and Michael create SMART goals, Let's practice some more. Your teacher will give you a goal that is vague. Make it SMART by adding the missing details!
__ 5.	Decide how to juggle multiple goals by participating in an activity to prioritize goals.
__ 6.	Time to apply this skill to your life as you complete Challenge 1-A: My SMART Goals .



TAKING IT HOME

Talk with your parents/guardians about any goals that they may have (short-term, medium, long-term). See if you can help make their goals more "SMART."



FURTHER STUDY

Select a short-term SMART goal and write out ten specific steps you are going to take, including due dates for each step. Track your progress. If you were unable to achieve a step in your process, see if you need to adjust your goal to make it more relevant and attainable.

Once you have achieved your goal or decided to abandon your goal, write a journal entry reflecting on the SMART goal process. How did it help you achieve your goal? Would you have been as successful without the SMART goal? If you abandoned your goal, why did you need to do that? Did SMART goal planning save you time when deciding to change or abandon your goal?

Activity 1.6: SMART Goal Makeover

NAME:

DATE:

Creating SMART goals will help set you up for success. Can you tell what SMART criteria are missing from the goals below?

Directions:

- A. Rewrite Michael's and Selena's statements into SMART goals.
- B. Compare your changes with a classmate or the examples online (www.hsfpp.org).

Goal	SMART Goal
Selena	
Save \$200 for a trip to the outlet mall	
Buy a new MP ₃ player	
Michael	
Save money for college next year	
Buy a new computer in January	

Activity 1.6: SMART Goal Makeover

NAME: **KEY**

DATE:

Creating SMART goals will help set you up for success. Can you tell what SMART criteria are missing from the goals below?

Directions:

- Rewrite Michael's and Selena's statements into SMART goals.
- Compare your changes with a classmate or the examples online (www.hsfpp.org).

Goal	SMART Goal
Selena	
Save \$200 for a trip to the outlet mall	*
Buy a new MP ₃ player	*
Michael	
Save money for college next year	*
Buy a new computer in January	*

***Facilitator Notes:** Responses will vary and provide opportunities for students to compare different goal statements that lead to similar results. As students peer review their own and each other's goal statements, they should see evidence of the following:

- Specific details about the desired outcome
- Strategies to measure progress and success with specific benchmarks and timelines to carry out action
- Actions that are realistic and relevant for Michael and Selena based on what is known about their current circumstances

Task: SMART Goal Rework

NAME:

DATE:

Directions:

Change a vague goal into a SMART goal. Think of what's missing for each "SMART" element, then create the details below. Now, combine your details to create a new SMART goal.

ORIGINAL GOAL: _____

REVISED GOAL: _____

SMART Goal Guide		Details to Add
Specific	What exactly needs to be accomplished? Who else will be involved? Where will this take place? Why do I want to accomplish the goal?	
Measurable	How will I know I've succeeded? How much change needs to occur? How many accomplishments or actions will it take?	
Attainable	Do I have, or can I get, the resources needed to achieve the goal? Is the goal a reasonable stretch for me? (neither out of reach nor too easy) Are the actions I plan to take likely to bring success?	
Relevant	Is this a worthwhile goal for me right now? Is it meaningful to me—or just something others think I should do? Would it delay or prevent me from achieving a more important goal? Am I willing to commit to achieving this goal?	
Time-bound	What is the deadline for reaching the goal? When do I need to take action? What can I do today?	

Task: SMART Goal Rework

NAME: **KEY**

DATE:

Directions:

Change a vague goal into a SMART goal. Think of what's missing for each "SMART" element, then create the details below. Now, combine your details to create a new SMART goal.

ORIGINAL GOAL: _____

REVISED GOAL: _____

SMART Goal Guide		Facilitator Guide
Specific	What exactly needs to be accomplished? Who else will be involved? Where will this take place? Why do I want to accomplish the goal?	As students evaluate the reworked goal, they should see the desired outcome clearly stated with details such as who is involved, how much money is needed, and why the goal is relevant to the goal setter.
Measurable	How will I know I've succeeded? How much change needs to occur? How many accomplishments or actions will it take?	An evaluation of the reworked goal should reveal detail about any benchmarks or strategies to track the progress towards achieving the goal. The revised goal should clearly state the expected evidence to know when the goal has been achieved.
Attainable	Do I have, or can I get, the resources needed to achieve the goal? Is the goal a reasonable stretch for me? (neither out of reach nor too easy) Are the actions I plan to take likely to bring success?	The reworked goal will propose actions and outcome(s) that seem logical and realistic for the goal setter's current situation and style. This may require student teams to state assumptions about the goal setter's circumstances.
Relevant	Is this a worthwhile goal for me right now? Is it meaningful to me—or just something others think I should do? Would it delay or prevent me from achieving a more important goal? Am I willing to commit to achieving this goal?	The revised work should express how this particular goal and desired outcome might have particular personal meaning to the goal setter's current circumstances and values, based on assumptions about the case scenario.
Time-bound	What is the deadline for reaching the goal? When do I need to take action? What can I do today?	Based on the case scenario assumptions, the revised work should specify realistic benchmark(s) with target dates for carrying out the action(s).

Challenge 1-A: My SMART Goals



NAME:

DATE:

As you work through the lessons and activities in NEFE’s High School Financial Planning Program, you will complete challenge activities that can be compiled into a personal financial planning portfolio. For this challenge task, write your own financial goals using the SMART model. As your life circumstances change, refer to your goals to check progress, modify the goals, or write new goals.

Directions:

Apply what you have learned about goal setting as you complete this challenge. Write at least one short-term goal, one medium-term goal, and one long-term personal finance goal. Be sure to create goals that have meaning to you based on your current circumstances and values.

- 1. Preview the criteria listed in the Scoring Guide to plan for your assessment.
- 2. Brainstorm ideas for personal financial goals that can be classified as short-term, medium-term, and long-term.
- 3. Review the SMART Goals chart to establish details for each of your goals. (Module 1 Student Guide, page 15)
- 4. Write your SMART goals taking into consideration how you will prioritize your actions as you work to achieve all of the goals at the same time.
- 5. Self-assess your work using the Scoring Guide. Optional: Ask a classmate to peer assess your work using the Scoring Guide to evaluate your work.

1	
2	
3	

Challenge 1-A: My SMART Goals



NAME:

DATE:

Required Criteria		Status		
Content				
1.	You list one short-term financial goal. (zero – three months)	acceptable	not acceptable	
2.	You list one medium-term financial goal. (three months – one year)	acceptable	not acceptable	
3.	You list one long-term financial goal. (more than a year)	acceptable	not acceptable	
Status Rating Key: “A” = Acceptable / “NA” = Not Acceptable		Short Term	Medium Term	Long Term
4.	Each goal states one <u>specific</u> outcome and the specific amount of money needed to fulfill the outcome.			
5.	Each goal states benchmarks and the expected evidence to <u>measure</u> when the goal has been achieved.			
6.	You justify that each goal is <u>attainable</u> and realistic based on your current circumstances and the resources that you expect to be available.			
7.	You summarize how each goal is <u>relevant</u> and meaningful to your current life situation and values.			
8.	Each goal includes a <u>timeline</u> with a target completion date and milestone dates for any significant mid-point actions.			
General				
9.	Documentation is neat and easy to read.	acceptable	not acceptable	
10.	Your calculations are accurate.	acceptable	not acceptable	

Feedback:

Score: _____ / _____

OVERVIEW

Making decisions about money can be hard. Sometimes you have to sacrifice what you're dying to have now for what you really want—but can't have—until later. Sometimes the best choice for you will disappoint a friend. And if you're in a relationship, there may be times when you have to put off your wants to focus on your partner's. There's rarely a perfect solution.

When you can't count on a steady income stream, making decisions about money can be even harder. All you can do is make the best decision you can with the information you have at the time.

This lesson will teach you strategies to be mindfully deliberate about your spending decisions.

LEARNING OUTCOMES

In this lesson students will apply strategies to help them be mindful about their spending decisions. Along the way they will:

- Discuss what influences spending decisions.
- Identify tools and strategies to help better manage spending habits.
- Demonstrate how the criterion-based decision-making process works.

Students will use what they learn to make a deliberate decision for a major spending purchase.

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 19-21 and the Appendix.
- Print or download the Student Learning Plan for this lesson so each student has a copy.
- (Optional) Print the notes for Slide 6 for the student discussion leader to read during Task 3.

WHAT YOU WILL NEED

- Module 1 Student Guide (pages 19-21)
- PowerPoint Presentation 1-3
- Student Learning Plan 1-3
- Information about a local cellphone plan (Internet website or flyer), Task 3
- Task: DECIDE on a Car
- Slide 6 discussion leader questions (Task 3)
- Internet access for student pairs (Task 4)
- Challenge 1-B: My Decision (Performance Assessment)

NOTES:

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

LEARNING TASKS	TEACHING NOTES	MATERIALS										
<p>1. Share the ways that you save money or check the quality of products when you are shopping.</p>	<p>PROCEDURE TIME ESTIMATE: 5 minutes</p> <p><input type="checkbox"/> [Slide 2] Ask students if they have a cellphone. Of those students, tell those who have "smart" phones to keep their hands raised. Of those still holding up their hands, ask them if they use their smart phones when shopping; all others should now drop their hands. Have those students with their hands still up to share how they use their phones to be better shoppers.</p> <p>Possible responses:</p> <table border="0" style="width: 100%;"> <tr> <td>Amazon mobile for scanning</td> <td>Foursquare for check-in discounts</td> </tr> <tr> <td>Old Navy's Snap App</td> <td>Seventeen</td> </tr> <tr> <td>Red Laser</td> <td>ShopKick</td> </tr> <tr> <td>Groupon</td> <td>LivingSocial</td> </tr> <tr> <td>QR code</td> <td></td> </tr> </table> <p><input type="checkbox"/> Encourage other students to add any techniques they use (that do not require a smart phone) to ensure they are paying the best price for the best product.</p> <p>RESOURCES:</p> <p>Article "Best Apps for Shopping": www.sheknows.com/living/articles/849561/best-apps-for-the-iphone-shopping-apps</p> <p>Ten Best Apps to Compare Prices: www.pcmag.com/slideshow/story/290959/the-10-best-shopping-apps-to-compare-prices</p> <p>Fifteen Apps That Save Big Bucks: www.pcworld.com/article/236573/15_shopping_apps_that_can_save_you_big_bucks.html</p> <p>Apple app store: www.apple.com/iphone/from-the-app-store/</p>	Amazon mobile for scanning	Foursquare for check-in discounts	Old Navy's Snap App	Seventeen	Red Laser	ShopKick	Groupon	LivingSocial	QR code		<p>Module 1 Student Guide</p> <p>Student Learning Plan 1-3</p> <p>SLIDE 2 – There's an App for That!</p> <p>ACTIVITY</p> <p>Flipchart or marker board with marker</p>
Amazon mobile for scanning	Foursquare for check-in discounts											
Old Navy's Snap App	Seventeen											
Red Laser	ShopKick											
Groupon	LivingSocial											
QR code												
<p>2. Participate in a discussion about how businesses tempt consumers to spend money.</p>	<p>PROCEDURE TIME: 15 min.</p> <p><input type="checkbox"/> [Slide 3] Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. By the end of this lesson, the students should be able to describe and demonstrate purposeful decision making when making spending decisions.</p>	<p>SLIDES 3 – Preview 4 – Marketing to Loyal Customers</p>										

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> [Slide 4] Poll the class to see who has participated in any customer loyalty programs to earn points or credit that can be redeemed. If possible, provide a few personal examples you have used, or someone you know has used. Create a class list of all stores, games, websites, apps, etc. that they have used that allow them to earn credit or points. Have the students categorize the stores, games, websites, apps, etc. they have used to earn credit or points.</p> <p><input type="checkbox"/> Ask students if they spent more money than intended so they could earn more points or rewards. Direct the students to track their “yes” or “no” responses on notepaper. Point out that sometimes we know how we want to spend our money but then fall for marketing schemes that make us spend more than we want on items we usually don’t need.</p> <p><input type="checkbox"/> As time allows, ask students (as a whole class or in small groups) to select what they think are the top two marketing strategies that lead consumers to spend more than they might want to.</p> <p>Notes: Virtual currency is an example of an online marketing strategy that encourages consumers to earn points and virtual currency in an entertaining format by spending money or gaming. For example, every year, McDonald's conducts a sweepstakes advertising promotion modeled after the board game, "Monopoly." Other popular virtual currency programs include MyCokeRewards™, Lunch Money™, and Brownie Points™. Many credit cards and store charge cards also provide virtual currency that can be redeemed for store credit, gift cards (such as iTunes or Amazon.com) or "cash back." Some websites will offer "free" shipping once the shopper has spent a certain amount of money. In some instances, a local grocery store chain "rewards" customers with points for gasoline discounts. Even school fundraisers provide incentives—like prizes for selling a certain amount—designed to get people to spend more money than intended.</p> <p>Source: www.grownupthinking.com/index.php/2011/12/09/top-teen-insights-trends-for-2011/</p>	

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>3. Help Selena decide on a cellphone plan.</p>	<p style="text-align: right;">TIME: 10 min.</p> <p>PROCEDURE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Display Slide 5 as you introduce students to the DECIDE steps they can apply when making criterion-based decisions about how to spend money. Use Selena’s situation as an example (page 20). <input type="checkbox"/> Point out that consumers can potentially reduce the risk of having “buyer’s remorse” if they do a little homework in advance of spending money. One strategy is to use the DECIDE process to first clarify the desired goal and criteria for an acceptable outcome, then compare options, and finally choose an option that best matches the established criteria. By planning in advance, consumers can reduce the chance of being tempted to spend more money than planned or spending money on something they later discover wasn’t needed or wanted. <input type="checkbox"/> [Slide 6] Arrange for the whole class to practice implementing the DECIDE steps as they help Selena select a family cellphone plan. This activity moves along much faster if it is a class discussion. However, with more time, you can opt to make this a group, team or individual assignment. <p>Scenario: Selena’s parents asked her to research options for a family cellphone plan to cover all four family members. Her older brother attends an in-state college. He has agreed to contribute \$30 a month to the cost of the family plan if he can get unlimited talk and text minutes along with a data plan. (Prompt the students to determine the plan criteria for the other family members.)</p> <ol style="list-style-type: none"> a. Have a student read the Cellphone Plan scenario out loud. b. Call on a student to lead the class through the "DECIDE" decision-making model to address Selena's decision. Have a seat and let the student lead the discussion, intervening to help manage the class or keep them on track. c. Guide the student leader to ask the students these questions: <ul style="list-style-type: none"> – <i>What is Selena's goal?</i> – <i>What do you think Selena's criteria should be for selecting a family cellphone plan?</i> – <i>What are the best options for Selena if her phone carrier is [local provider]? (Ideally, students should be able to access a few websites or flyers with different cellphones and calling plan options.)</i> – <i>Identify the pros and cons of each option.</i> – <i>Decide which choice makes the most sense for Selena. If she asked you, what would you tell her to do?</i> 	<p>STUDENT GUIDE Pages 19-20</p> <p>SLIDES 5 – DECIDE to Make a Sensible Decision 6* – Selena’s Phone Plan (*Print out the slide notes for the discussion leader.)</p> <p>ACTIVITY Information about a local cellphone plan (Internet or flyer)</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>4. Now that you've become an expert on the decision-making process, let's see how you would work through a major decision—buying a car. Follow the DECIDE steps to compare car options.</p>	<p style="text-align: right;">TIME: 15 min.</p> <p>PROCEDURE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Arrange students into pairs so each team has access to Internet. Distribute the DECIDE on a Car task to preview the task. Make sure students understand that they need to pick criteria from the first seven options provided. <input type="checkbox"/> Guide students to access a website that will allow them to do a side-by-side comparison based on the criteria they select. Tell them to document the price, pros, and cons for three of the best options they find. <input type="checkbox"/> After discussing their options, have the students select a final vehicle that meets their criteria. If time allows, ask one or two groups to share what they ended up choosing and a few things that impacted their decision. <p>NOTES: You can alter this activity by giving students a fixed spending amount (such as \$15,000) to see if they are still able to find a vehicle that meets their criteria for the amount given. Discuss what opportunity costs they had to consider when being forced into a lower price range.</p> <p>RESOURCES:</p> <ul style="list-style-type: none"> ▪ Kelly Blue Book (www.kbb.com) ▪ Edmonds (www.edmonds.com) ▪ Cars.com (www.cars.com) 	<p>STUDENT GUIDE Page 20</p> <p>SLIDE 7 – New or Used Car?</p> <p>ACTIVITY Task: DECIDE on a Car</p> <p>Internet access and computer for every two students</p>
<p>5. Your turn! Apply the DECIDE process to deliberately decide the best option for a large purchase you are planning in the next six months. Complete Activity 1-B: My Decision.</p>	<p style="text-align: right;">In-class or out-of-class assignment</p> <p>PROCEDURE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Ask student to identify situations when this criterion-based DECISION steps might be useful. Possible responses include the following: Deciding classes, selecting a summer job, dealing with relationships, choosing involvement in school or community activities. <input type="checkbox"/> Guide students to complete Challenge 1-B: My Decision so they use the DECIDE steps to make a spending decision about a major purchase they are considering within the next six months. This might be a decision for the student only or the student's family. 	<p>STUDENT GUIDE Page 21</p> <p>SLIDE 8 – Challenge</p> <p>ACTIVITY Challenge 1-B: My Decision</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
EXTENSION Research apps for shopping.	PROCEDURE: In-class or out-of-class assignment <input type="checkbox"/> Direct students to research apps designed to help shoppers be savvy about spending. If they can't find one that performs the task they think would be most helpful, encourage the students to pitch the idea for an app other teens would use when shopping.	
TAKING IT HOME Use the DECIDE process for a family decision.	PROCEDURE Out-of-class assignment <input type="checkbox"/> Explain the assignment to the students. Talk to all students individually to make sure they have identified a valid "family" decision. Use one of these examples if students can't think of any: <ul style="list-style-type: none"> ▪ parent/guardian needs to find a job/better paying job ▪ moving ▪ moving in with relatives/extended family ▪ large purchase (home, car, appliances) ▪ vacation ▪ day care options if all household adults work ▪ major home/car repairs ▪ major medical spending decisions (getting glasses/contacts, braces, surgery, etc.) ▪ purchasing family cellphone plan ▪ getting a pet 	STUDENT GUIDE Page 20 ACTIVITY Challenge 1-B: My Decision

EXTENSION

Research apps designed to help shoppers be savvy about their spending. Better, yet, if you can't find one that performs the task you think would be most helpful, create and pitch the idea for an app other teens would use when shopping.

TAKING IT HOME

What is a major decision your family is facing right now? Do you need to decide whether to fix the old car again or just invest in a new one? Perhaps you have to figure out how to best spend your time this summer while your parents are still at work? Maybe a new job or the bad economy is forcing you to move.

Talk to your family members about a decision they are facing as a family. Then, create a DECIDE chart for them. Be sure to collect as much information as possible so that you understand all criteria that might influence this decision, such as how much money the family can afford to spend or whether it makes sense to invest in a "green" product.

MODULE
01

**MONEY
MANAGEMENT:**
Control Your Cash Flow

WWW.HSFPP.ORG

HIGH SCHOOL FINANCIAL PLANNING PROGRAM
SINCE 1988

The image is a collage with a red and white torn-paper effect. It features three photos: two girls and a boy looking at a laptop, a girl sitting on a bench outdoors, and a close-up of a smiling young man. The text is overlaid on a white and grey background.

Decision Making

TODAY YOU WILL . . .

PRACTICE STRATEGIES TO HELP YOU BE
MINDFUL ABOUT MAJOR SPENDING DECISIONS

1

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

- Display this slide as you transition into the lesson.

There's an App for That!

- How many smart phone or iPad apps can you think of that help *you* shop smarter?
- What other ways do you save money or check the quality of products when you are shopping?

2

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- ❑ Ask students if they have a cellphone. Of those students, tell those who have "smart" phones to keep their hands raised. Of those still holding up their hands, ask them if they use their smart phones when shopping; all others should now drop their hands. Have those students with their hands still up to share how they use their phones to be better shoppers.

Possible responses:

Amazon mobile for scanning Foursquare for check-in discounts
 Old Navy's Snap App Seventeen
 Red Laser ShopKick
 Groupon LivingSocial
 QR code

- ❑ Encourage other students to add any techniques they use (that do not require a smart phone) to ensure they are paying the best price for the best product.

RESOURCES:

- ❑ Article "Best Apps for Shopping": www.sheknows.com/living/articles/849561/best-apps-for-the-iphone-shopping-apps
- ❑ Ten Best Apps to Compare Prices: www.pcmag.com/slideshow/story/290959/the-10-best-shopping-apps-to-compare-prices
- ❑ Fifteen Apps That Save Big Bucks: www.pcworld.com/article/236573/15_shopping_apps_that_can_save_you_big_bucks.html
- ❑ Apple app store: www.apple.com/iphone/from-the-app-store/

Preview

Today we will answer these questions:

- What influences my spending decisions?
- What strategies help me take control of my spending?
- How does a criterion-based decision-making process work?

Use what you learn today to
make a deliberate spending decision
for a major purchase.

3

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- Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. By the end of this lesson, the students should be able to describe and demonstrate purposeful decision making when making spending decisions.

A presentation slide with a white background and a red and grey torn-paper effect at the top. The title "Marketing to Loyal Customers" is in red. Below it, the text "List examples of customer loyalty programs." is in grey. A question in blue asks if students have ever spent more money than planned to earn more points or rewards. The bottom left has a red square with the number 4, and the bottom right has the High School Financial Planning Program logo.

Marketing to Loyal Customers

List examples of customer loyalty programs.

Have you ever spent more money
than you planned
to earn more points or rewards?

4

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- ❑ Poll the class to see who has participated in any customer loyalty programs to earn points or credit that can be redeemed. If possible, provide a few personal examples you have used, or someone you know has used. Create a class list of all stores, games, websites, apps, etc. that they have used that allow them to earn credit or points. Have the students categorize the stores, games, websites, apps, etc. they have used to earn credit or points.
- ❑ Ask students if they spent more money than intended so they could earn more points or rewards. Direct the students to track their “yes” or “no” responses on notepaper. Point out that sometimes we know how we want to spend our money but then fall for marketing schemes that make us spend more than we want on items we usually don’t need.
- ❑ As time allows, ask students (as a whole class or in small groups) to select what they think are the top two marketing strategies that lead consumers to spend more than they might want to. (Additional notes and resources are provided in the Teacher Lesson Plan, page 3.)

DECIDE to Make a Sensible Decision

- D**efine your goal.
- E**stablish criteria for an acceptable outcome.
- C**hoose two or three good options.
- I**dentify pros and cons of the options.
- D**ecide the option that best matches criteria.
- E**valuate the results.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Student Guide, pages 19-20

- ❑ Display this slide as you introduce students to the DECIDE steps they can apply when making criterion-based decisions about how to spend money. Use Selena’s situation as an example (page 20).
- ❑ Point out that consumers can potentially reduce the risk of having “buyer’s remorse” if they do a little homework in advance of spending money. One strategy is to use the DECIDE process to first clarify the desired outcome (goal and criteria), then compare options, and finally choose an option that best matches the established criteria. By planning in advance, consumers can reduce the chance of being tempted to spend more money than planned or spending money on something they later discover wasn’t needed or wanted.

Selena's Phone Plan

Scenario

Selena's parents asked her to research options for a family cellphone plan to cover all four family members. Her older brother attends an in-state college. He has agreed to contribute \$30 a month to the cost of the family plan if he can get unlimited talk and text minutes along with a data plan.

Use the DECIDE steps to select a family phone plan.

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Student Guide, pages 19-20

- ❑ Arrange for the whole class to practice implementing the DECIDE steps as they help Selena select a family cellphone plan. This activity moves along much faster if it is a class discussion. However, with more time, you can opt to make this a group, team or individual assignment.

Scenario Instructions:

- a. Have a student read the Cellphone Plan scenario out loud.
- b. Call on a student to lead the class through the "DECIDE" decision-making model to address Selena's decision. Have a seat and let the student lead the discussion, intervening to help manage the class or keep them on track.
- c. Guide the student leader to ask the students these questions:
 - *What is Selena's goal?*
 - *What do you think Selena's criteria should be for selecting a family cellphone plan? (Prompt the students to determine the plan criteria for the other family members.)*
 - *What are the best options for Selena if her phone carrier is [local provider]? (Ideally, students should be able to access a few websites or flyers with different cellphones and calling plan options.)*
 - *Identify the pros and cons of each option.*
 - *Decide which choice makes the most sense for Selena. If she asked you, what would you tell her to do?*

New or Used Car?

Scenario

Use the **DECIDE** steps to select a car
for your family or your own transportation.

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM

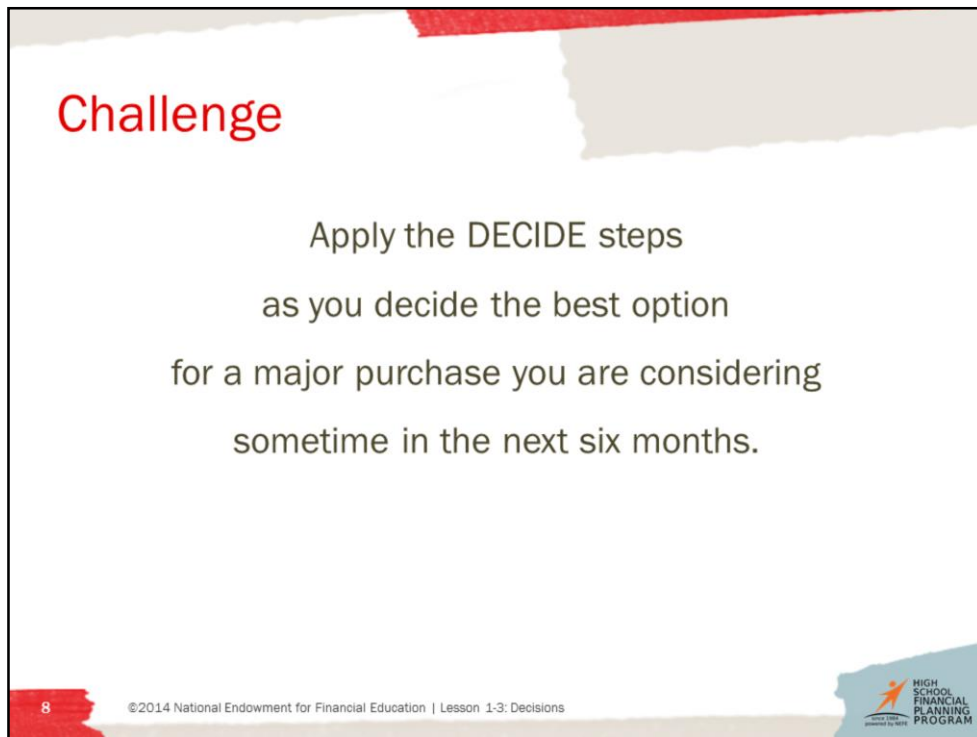
Student Guide, page 20

- Arrange students into pairs so each team has access to Internet. Distribute the **DECIDE on a Car** task to preview the task. Make sure students understand that they need to pick criteria from the first seven options provided.
- Guide students to access a website that will allow them to do a side-by-side comparison based on the criteria they select. Tell them to document the price, pros, and cons for three of the best options they find.
- After discussing their options, have the students select a final vehicle that meets their criteria. If time allows, ask one or two groups to share what they ended up choosing and a few things that impacted their decision.

NOTES: You can alter this activity by giving students a fixed spending amount (such as \$15,000) to see if they are still able to find a vehicle that meets their criteria for the amount given. Discuss what opportunity costs they had to consider when being forced into a lower price range.

RESOURCES:

- Kelly Blue Book (www.kbb.com)
- Edmonds (www.edmonds.com)
- Cars.com (www.cars.com)

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: "Apply the DECIDE steps as you decide the best option for a major purchase you are considering sometime in the next six months." At the bottom left, there is a red square with the number "8". At the bottom center, there is a copyright notice: "©2014 National Endowment for Financial Education | Lesson 1-3: Decisions". At the bottom right, there is a logo for the "HIGH SCHOOL FINANCIAL PLANNING PROGRAM" with a stylized orange figure.

Student Guide, page 21

- ❑ Ask student to identify situations when this criterion-based DECISION steps might be useful. Possible responses include the following: Deciding classes, selecting a summer job, dealing with relationships, choosing involvement in school or community activities.
- ❑ Guide students to complete **Challenge 1-B: My Decision** so they use the DECIDE steps to make a spending decision about a major purchase they are considering within the next six months. This might be a decision for the student only or the student's family.

MODULE
01

**MONEY
MANAGEMENT:**
Control Your Cash Flow

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HIGH SCHOOL FINANCIAL PLANNING PROGRAM
GROW YOUR WEALTH

The graphic features a collage of torn paper in shades of beige, white, and red. A black and white photograph of a young man and woman smiling is positioned on the right side. The text is arranged in a layered, blocky format on the left side.

OVERVIEW

Making decisions about money can be hard. Sometimes you have to sacrifice what you're dying to have now for what you really want—but can't have—until later. Sometimes the best choice for you will disappoint a friend. And if you're in a relationship, there may be times when you have to put off your wants to focus on your partner's. There's rarely a perfect solution.

When you can't count on a steady income stream, making decisions about money can be even harder. All you can do is make the best decision you can with the information you have at the time.

This lesson will teach you strategies to be mindfully deliberate about your spending decisions.

LEARNING OUTCOMES

In this you will apply strategies to help you be mindful about your spending decisions. Along the way you will:

- Discuss what influences your spending decisions.
- Identify tools and strategies you can use to better manage your spending habits.
- Demonstrate how the criterion-based decision-making process works.

Use what you learn to make a deliberate decision for a major spending purchase.

LEARNING TASKS

These tasks match pages 19-21 in Student Guide 1.

__ 1.	Share the ways that you save money or check the quality of products when you are shopping.
__ 2.	Participate in a discussion about how businesses tempt consumers to spend money.
__ 3.	Help Selena decide on a cellphone plan.
__ 4.	Now that you've become an expert on the decision-making process, let's see how you would work through a major decision—buying a car. Follow the DECIDE steps to compare car options.
__ 5.	Your turn! Apply the DECIDE process to deliberately decide the best option for a large purchase you are planning in the next six months. Complete Challenge 1-B: My Decision .



EXTENSION

Research apps designed to help shoppers be savvy about their spending. Better, yet, if you can't find one that performs the task you think would be most helpful, create and pitch the idea for an app other teens would use when shopping.



TAKING IT HOME

What is a major decision your family is facing right now? Do you need to decide whether to fix the old car again or just invest in a new one? Perhaps you have to figure out how to best spend your time this summer while your parents are still at work? Maybe a new job or the bad economy is forcing you to move.

Talk to your family members about a decision they are facing as a family. Then, create a DECIDE chart for them. Be sure to collect as much information as possible so that you understand all criteria that might influence this decision, such as how much money the family can afford to spend or whether it makes sense to invest in a “green” product.

Task: DECIDE on a Car

NAME:

DATE:

Directions:

Devise a real or invented reason to purchase a new or used car. Perhaps your family is planning to buy a car or you need reliable transportation to get to work or class at another school campus. Practice using the DECIDE steps to work through the process of choosing a car that will best meet the needs for the situation.

DECIDE STEPS

1. **D**efine your goal.

2. **E**stablish your criteria. What are the features you absolutely must have? And which ones would you like to have?

To get you started, check the criteria below that the car “must have” and underline any criterion that you “would like to have.” List additional criteria that will help you compare options.

- new or used
- 2-door (sporty) or 4-door (family)
- compact vehicle/better gas mileage or larger capacity vehicle/lower gas mileage
- manual or automatic transmission
- minimal sound system (radio/cd player/basic speakers)
or enhanced sound system (satellite dio/cd changer/high quality speakers)
- basic warranty or extended warranty (100,000 miles or 10 years)
- high trade-in value or doesn't matter
- top price you would pay for a car: \$_____

any additional options (heated seats, automatic starter, sunroof, integrated car seats, etc.):

Task: DECIDE on a Car

3. **C**hoose two to three good options. Eliminate any options without your “must haves” and choose a couple of the remaining options.

Option	A	B	C
Description			
Cost	\$	\$	\$
Features			

4. **I**dentify the pros and cons. Now compare three options that best meet your criteria listed in Step 2. If you have a long list of criteria and options, you may want to make a chart to quickly compare the features of each option to narrow down your options.

Option	A	B	C
Pros			
Cons			

5. **D**ecide what's best. Based on this data, what would be your number one choice that best matches your established criteria?

6. **E**valuate the results. Note what you particularly do and don't like about your choice.

Challenge 1-B: My Decision

NAME:

DATE:

As you work through the lessons and activities in NEFE’s High School Financial Planning Program, you will complete challenge activities that can be compiled into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 1-3: Decisions** to make a thoughtful decision about a major spending purchase you’re facing.

Directions:

- 1. Apply what you have learned about criterion-based decision making as you complete this challenge. Preview the criteria listed in the Scoring Guide to plan for your assessment.
- 2. Use the chart below or create a separate document to summarize your decision-making process. Review the six DECIDE action steps to guide your work (Module 1 Student Guide, page 20). Your actions should take into consideration your current circumstances and values. You may want to ask your friends and family for their input—to make sure you consider everything!
- 3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate to peer assess your work using the Scoring Guide.

	DECIDE Steps	My Situation		
1	Define your goal.			
2	Establish your criteria.			
3	Choose three good options.			
4	Identify the pros and cons of the options.			
5	Decide what’s best.			
6	Evaluate the results.			

Challenge 1-B: My Decision



NAME:

DATE:

Required Criteria		Status		
Content				
1.	In one sentence you state what you want to achieve as a result of the decision-making process.	acceptable	not acceptable	
2.	Outcome involves a major financial decision.	acceptable	not acceptable	
3.	You justify how the decision and outcome relates to your current circumstances and values.	acceptable	not acceptable	
4.	Summary lists at least six criteria for an acceptable outcome, including the features you absolutely must have as well as features you would like to have or will not accept.	acceptable	not acceptable	
Option Status Rating Key: "A" = Acceptable / "NA" = Not Acceptable		Option A	Option B	Option C
5.	Summary includes details about three possible options.			
6.	You devise a way to illustrate how well each option matches your criteria.			
7.	You point out the solution that you have chosen.	acceptable	not acceptable	
8.	You justify why the chosen option was selected.	acceptable	not acceptable	
9.	Your choice is logical based on the known circumstances, stated criteria, and potential to achieve the desired outcome.	acceptable	not acceptable	
10.	You summarize what you do and don't like about your choice and justify any modifications that were made in the purpose, criteria, or solutions.	acceptable	not acceptable	
General				
11.	Content is clearly stated with distinct detail.	acceptable	not acceptable	
12.	Documentation is neat and easy to read.	acceptable	not acceptable	
13.	Information about the options is accurate or can be verified.	acceptable	not acceptable	

Feedback:

Score: _____ / _____

OVERVIEW

You've analyzed what you've been spending money on and set some SMART goals to strive for. Now, the rubber meets the road and it's time to start making it happen. Your next step is to create the road map that will guide you to your destination: success.

Your map is a spending plan or budget. It should detail exactly how you're going to use your money to pay for the things you want. An effective spending plan not only multiplies your chances of success, it also helps make the journey faster and easier.

In this lesson, you will develop the skills you will need to create an effective spending plan.

LEARNING OUTCOMES

In this lesson students will learn how to create a spending plan (aka budget). Along the way they will:

- Discuss how a spending plan can help an individual manage spending habits.
- Describe what a spending plan is.
- Explain how to use a spending plan.

Students will use what they learn to create a plan to guide their spending, particularly for large purchases.

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 22-31.
- Print or download the Student Learning Plan for this lesson so each student has a copy.

WHAT YOU WILL NEED

- Module 1 Student Guide (pages 22-31)
- PowerPoint Presentation 1-4
- Student Learning Plan 1-4
- Activity 1.7: My Income
- Activity 1.8: My Expenses
- Task: Maya's Spending Plan
- Challenge 1-C: My Spending Plan (Performance Assessment)
- Calculators, Tasks 4 and 5
- Spending Plan template, Tasks 4 and 5
- Internet access, Task 4

NOTES:

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

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>1. Brainstorm a list of tricks stores use to get you to buy things. Think about your experience before you shop as well as when you go into a store. Be sure to include online shopping experiences!</p>	<p>PROCEDURE TIME ESTIMATE: 5 minutes</p> <p><input type="checkbox"/> Ask students to brainstorm ways they think that businesses use sales and marketing tactics to entice shoppers to buy things. Use these questions to prompt the brainstorming [Slide 2]. (Note: mind mapping works well for this brainstorm activity.)</p> <ul style="list-style-type: none"> ▪ <i>What is in the store window to get you to walk in? What techniques are used to get you into the door?</i> ▪ <i>What is the first thing you see when you walk into the store? Are you ever tempted to buy it?</i> ▪ <i>What do you have to walk past in order to get to the object you want to buy? Did you ever pick up anything on the way?</i> ▪ <i>When standing in line at the register, have you ever picked up anything on display to buy?</i> ▪ <i>When you get your item, do you receive any coupons or flyers that will encourage you to come back? Do they have expiration dates?</i> <p>EXTENSION: For an alternate version, have older students consider a car sales pitch. If they have gone car shopping, what types of things did the salesperson do to increase the company's profits? Encourage students to go to a local car dealer with a low-end car in mind and see what the salesperson does to try to get shoppers to spend more money for a more expensive car.</p>	<p>Module 1 Student Guide</p> <p>Student Learning Plan 1-4</p> <p>SLIDE 2 – Gotcha!</p> <p>ACTIVITY</p> <p>marker board/ Smartboard</p>
<p>2. Life happens! There are so many things that happen to us that we don't plan for. Most times, these accidents cost us money. Estimate what a "repair" might cost for incidents that could involve teens.</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> [Slide 3] Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out how planning ahead on how to spend money can help reduce the possibility of overspending or buying something that isn't wanted later.</p> <p><input type="checkbox"/> By the end of this lesson, the students should be able to outline a spending plan that is reasonable for their current situation.</p> <p><input type="checkbox"/> [Slide 4] Transition into the activity by asking students to share any accidents they have encountered in the past 6 to 12 months that resulted in repair or replacement costs.</p> <p><input type="checkbox"/> Arrange for students to work individually or in small teams (2-3 students). Assign each group to conduct a quick online search to estimate the repair or replacement costs for one of the Whoops situations. Post costs for the whole class to see.</p>	<p>STUDENT GUIDE Page 23</p> <p>SLIDES 3 – Preview 4 – Whoops!</p> <p>ACTIVITY</p> <p>Internet access</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p>Whoops accident scenarios:</p> <ul style="list-style-type: none"> ▪ Break flat screen TV ▪ Break laptop (hardware) ▪ Download virus on computer ▪ Fender bender (Student’s fault, even if not driving or driver. Use “bumper” when searching online for information.) ▪ Flat tire (student’s fault, even if not driving) ▪ Fractured/broken bone (sports or home injury) ▪ Lost cellphone ▪ Lost iPod ▪ Run out of gas (Here they have to assume they cannot walk to a gas station or call someone to help them. What would it cost for a truck/auto service company to bring gas to them?) <p>[OPTIONAL: Have students add situations to the list.]</p> <p>Note: To locate information on repair or replacement costs, have them use the phrase, “<i>How much would it cost to fix ...</i>” or “<i>How much would it cost to replace ...</i>” to search for information. For replacement costs, they can also opt to visit the websites of local retail stores that would carry that object to price out a new item. For auto repairs, imagine the item has to be completely replaced and installed professionally.</p> <p><input type="checkbox"/> Debrief by asking students if they would be able to cover the costs with cash on hand at that moment. Lead a discussion about how these types of unexpected costs might impact the ability to meet other spending obligations or derail progress towards a savings goal.</p>	
<p>3. Determine whether or not Michael and Selena have enough income for their monthly expenses and savings goals.</p> <p>Recommend ways to adjust expenses or income.</p>	<p>PROCEDURE TIME: 10 min.</p> <p><input type="checkbox"/> [Slide 5] Introduce spending plans as a way to prepare in advance for planned purchases and to have sufficient funds on hand for unexpected expenses. Introduce the concept that to create a spending plan, a person needs to 1) Identify the expected costs and savings goals, and 2) Figure out how to cover those costs (expenses) with money earned from jobs or received as allowance (income).</p>	<p>STUDENT GUIDE Pages 22-27</p> <p>SLIDES 5 – Spending Plan—Road Map for Success 6 – Can Michael and Selena Cover Expenses?</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> As an example, show Slide 6 so students can assess whether or not Michael and Selena have enough income to cover what they have responsibility to pay for each month. Point out their estimated income (Student Guide, page 25) and their monthly expenses (page 27).</p> <p>Click 1 on slide: Examine the expense and income amounts and challenge the students to calculate the difference (Student Guide, page 27).</p> <p>Click 2 on slide: Show the difference to check calculations.</p> <p>Lead a discussion or arrange for students to discuss in small groups how Michael and Selena can adjust their expenses (or income) to ensure they cover their monthly obligations and also have money to set aside for their goals. Point out that Selena has set a goal to save \$25 each month and Michael wants to save \$40 each week. (Student Guide, page 16)</p>	
<p>4. Complete Activity 1.7: My Income to list your sources of income. Complete Activity 1.8: My Expenses to classify how you spend your money.</p> <p>Practice creating a personal spending plan. Make sure that the total expenses don't exceed the total income.</p>	<p>PROCEDURE TIME: 20 min.</p> <p><input type="checkbox"/> [Slide 7] Introduce students to the steps to create a spending plan. Preview the steps to create a plan/budget.</p> <p><input type="checkbox"/> [Slide 8] Point out examples of income, including how Michael and Selena receive income (pages 24-25).</p> <p><input type="checkbox"/> Guide students to identify their own sources of income, Activity 1.7: My Income.</p> <p><input type="checkbox"/> [Slide 9] Describe and classify expenses as fixed, variable, and periodic. Provide examples (page 26) and reference the examples from Michael's and Selena's list (page 27).</p> <p><input type="checkbox"/> [Slide 10] Introduce students to the "pay yourself first" (PYF) strategy used to regularly set aside chunks of money to save for bigger financial goals (page 28).</p> <p><input type="checkbox"/> Guide students to complete Activity 1.8: My Expenses. If available, they can use the responses from Activity 1.2: My Disappearing Dollars to classify their expenses.</p>	<p>STUDENT GUIDE Page 24-31</p> <p>SLIDES 7 – Building a Spending Plan 8 – Predict Your Income 9 – Estimate Your Expenses 10 – Pay Yourself First 11 – Make Adjustments 12– Maya's Spending Plan</p> <p>ACTIVITIES 1.7: My Income 1.8: My Expenses Task: Maya's Spending Plan Calculators</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
	<p><input type="checkbox"/> Point out Michael’s plan (page 30) to illustrate an example of a month spending plan/budget. Display Slide 11 as you suggest ways to adjust a plan so the income is equal to or more than the anticipated expenses.</p> <p><u>Click 1:</u> If expenses exceed income, determine ways to:</p> <ul style="list-style-type: none"> - decrease variable expenses - increase income - delay or decrease unnecessary expense(s) <p><u>Click 2:</u> If income exceeds expenses, this is a good opportunity to:</p> <ul style="list-style-type: none"> - increase the amount set aside for the PYF funds and savings goals - decrease the amount owed <p><input type="checkbox"/> [Slide 12] Display and distribute Maya’s Spending Plan task as you preview the task with the students. Have students independently create a spending plan for Maya. Circulate around the room to make sure students put the realistic amounts on a spending plan sheet.</p> <p><input type="checkbox"/> When finished, arrange for the students to work in pairs to compare solutions. Instruct them to reach consensus on how to adjust the total income to match the total expenses. Point out that there is no one way to balance it as long as the income covers the expenses and Maya’s spending needs and goals are reflected in the final plan.</p>	
<p>5. Complete Challenge 1-C: My Spending Plan to create your own spending plan for an event, financial goal, or a month of regular expenses.</p>	<p>PROCEDURE In-class or out-of-class assignment</p> <p><input type="checkbox"/> [Slide 13] Facilitate a brief discussion about the potential consequences of not following a spending plan.</p> <p><input type="checkbox"/> [Slide 14] Guide students to use what they have learned to create their own spending plans for a specific event, financial goal, or to cover their currently monthly expenses. Direct students to use information that is realistic for their current situation as they complete Challenge 1-C: My Spending Plan.</p> <p>Note: For those students who don’t have regular income, arrange for them to either work from a fictitious situation or arrange to use information for an existing club project. [See Extension Task]</p>	<p>STUDENT GUIDE Pages 24-27, 30-31</p> <p>SLIDES 13 – Without a Spending Plan 14 – Challenge</p> <p>ACTIVITY Challenge 1-C: My Spending Plan</p>

LEARNING TASKS	TEACHING NOTES	MATERIALS
<p>TAKING IT HOME</p> <p>Complete the Jump\$tart Reality Check.</p>	<p>PROCEDURE In-class or out-of-class assignment</p> <p><input type="checkbox"/> Challenge students to complete the Jump\$tart Reality Check to draft a household budget/spending plan. Students may need to compare the Jump\$tart site with local data. Housing and cost of living can vary from place to place, as do salaries. You may want to help prepare students by having them research local housing costs and by asking to see the necessary household bills adults in their lives may pay, including: water, electricity, gas, sewage, water, trash, recycling, cable, Internet, landline phone, septic, property taxes, etc. This will help give students a more accurate reading on lifestyle choices they will make and what those might cost them.</p> <p>Resources:</p> <ul style="list-style-type: none"> ▪ www.Jumpstart.org/reality-check.html ▪ The California Career Resource Network has another version of a “Reality Check” (www.californiarealitycheck.com/) 	<p>Internet access</p>
<p>EXTENSION</p> <p>Create a spending plan for a class trip or club project.</p>	<p>PROCEDURE: In-class or out-of-class assignment</p> <p><input type="checkbox"/> Challenge students to use what they have learned about setting goals and creating spending plans as they plan for a class trip or club project. Provide guidance to get them started as they research the anticipated costs of the trip or project. Then determine the amount of money students need to contribute or fundraise to cover the estimated costs.</p>	



EXTENSION

Are you involved with a class or youth group project that involves raising or spending money for a trip or project? Work with the group planners to create a spending plan for a class trip or group project.

Start out by setting goals, and then estimate the expected expenses for the trip or project. Use the DECIDE model to identify income options to create a realistic spending plan to cover the anticipated expenses.



TAKING IT HOME

What kind of lifestyle do you expect to have? With an adult, complete the **Jump\$tart Reality Check** to imagine what your budget might be when you live on your own. (www.jumpstart.org/reality-check.html)

The adult can help explain how the different lifestyle choices you make will impact your wallet. That person can also give you a better idea of what items you *need* to have—water, power, trash removal—versus those that are *WANTS*—cable or Internet access. He or she can also let you know what other things can cost, such as medical expenses or a pet.

This short activity will let you know roughly how much you would need to earn an hour to afford your lifestyle choices. It will also give you an idea of how much education you need for a career that will support your desired lifestyle. Talk to the adult about how a job can influence lifestyle choices, as well as how lifestyle choices can impact the job you get.

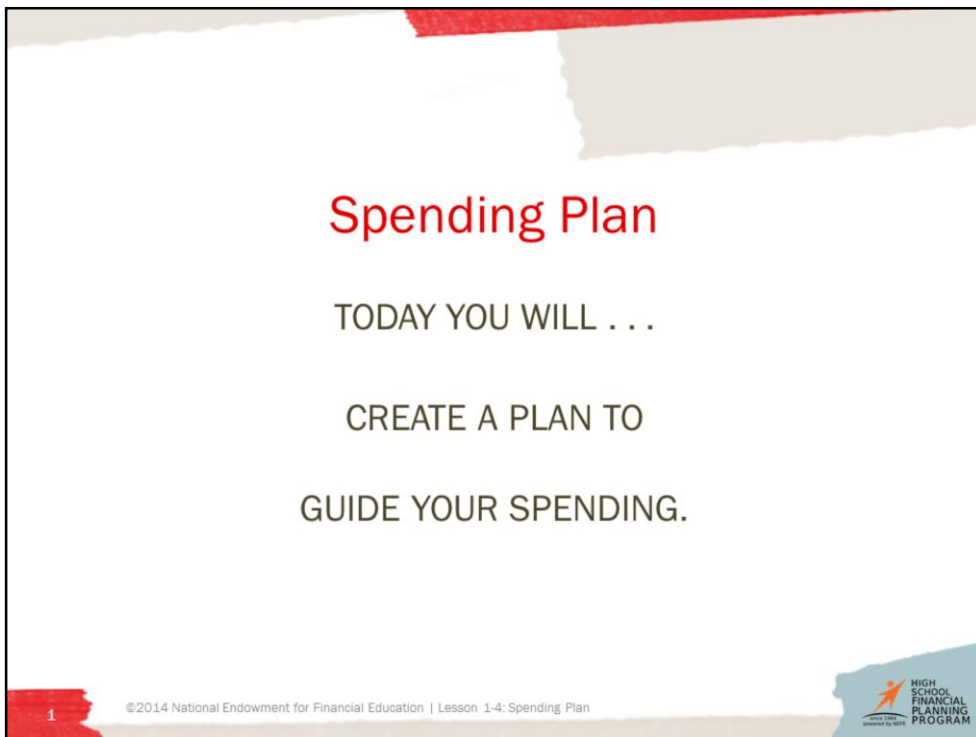


MODULE
01

MONEY
MANAGEMENT:
Control Your Cash Flow

WWW.HSFPP.ORG

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- ❑ Display this slide as you transition into the lesson.

Gotcha!

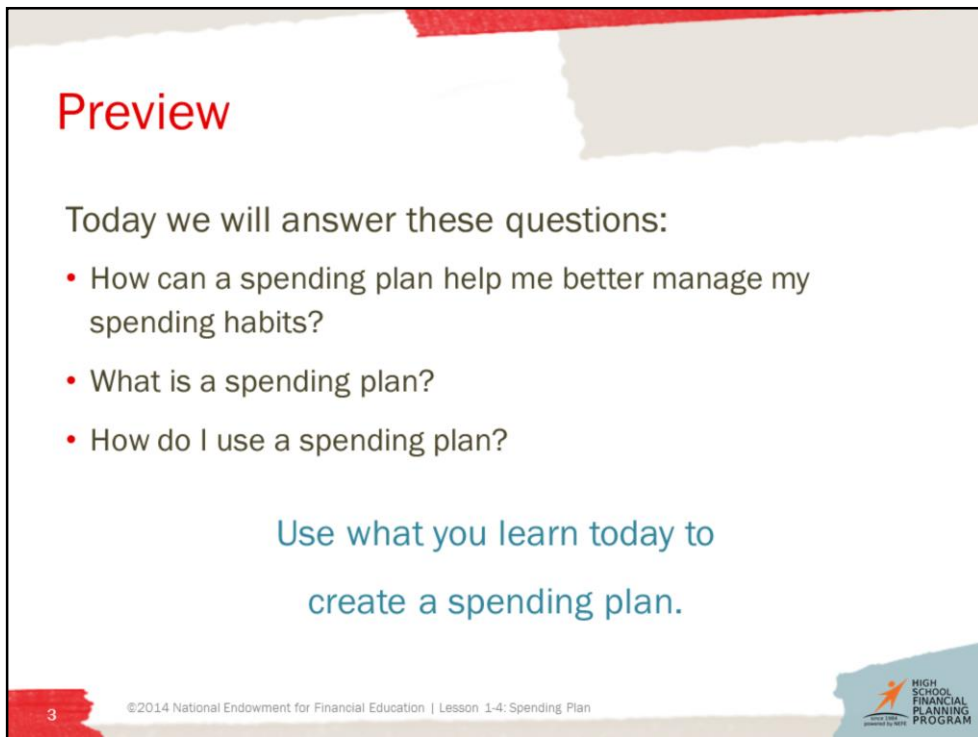
- What is in the store window to get you to walk in? What techniques are used to get you into the door?
- What is the first thing you see when you walk into the store? Are you ever tempted to buy it?
- What do you have to walk past in order to get to the object you want to buy? Did you ever pick up anything on the way?
- When standing in line at the register, have you ever picked up anything on display to buy?
- When you get your item, do you receive any coupons or flyers that will encourage you to come back? Do they have expiration dates?

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- Ask students to brainstorm ways they think that businesses use sales and marketing tactics to entice shoppers to buy things. Use these questions to prompt the brainstorming. (Note: mind mapping works well for this brainstorm activity.)
- *What is in the store window to get you to walk in? What techniques are used to get you into the door?*
 - *What is the first thing you see when you walk into the store? Are you ever tempted to buy it?*
 - *What do you have to walk past in order to get to the object you want to buy? Did you ever pick up anything on the way?*
 - *When standing in line at the register, have you ever picked up anything on display to buy?*
 - *When you get your item, do you receive any coupons or flyers that will encourage you to come back? Do they have expiration dates?*

EXTENSION: For an alternate version, have older students consider a car sales pitch. If they have gone car shopping, what types of things did the salesperson do to increase the company's profits? Encourage students to go to a local car dealer with a low-end car in mind and see what the salesperson does to try to get shoppers to spend more money for a more expensive car.



Preview

Today we will answer these questions:

- How can a spending plan help me better manage my spending habits?
- What is a spending plan?
- How do I use a spending plan?

Use what you learn today to
create a spending plan.

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- ❑ Transition into the lesson by previewing the Learning Outcomes in the Student Learning Plan. Point out how planning ahead on how to spend money can help reduce the possibility of overspending or buying something that isn't wanted later.
- ❑ By the end of this lesson, the students should be able to outline a spending plan that is reasonable for their current situation.

Whoops!
What does the repair or replacement cost?

1. Break flat-screen TV
2. Break laptop (hardware)
3. Download virus on computer
4. Fender bender
5. Flat tire
6. Fractured/broken bone
7. Lost cell phone
8. Lost iPod
9. Run out of gas
(Unable to walk to a gas station. Need to have auto service company bring gas.)

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Student Guide, page 23

- ❑ Arrange for students to work individually or in small teams (2-3 students). Assign each group to conduct a quick online search to estimate the repair or replacement costs for one of the Whoops situations. Post costs for the whole class to see. [OPTIONAL: Have students add situations to the list.]

Note: To locate information on repair or replacement costs, have them use the phrase, “How much would it cost to fix...” or “How much would it cost to replace...” to search for information. For replacement costs, they can also opt to visit the websites of local retail stores that would carry that object to price out a new item. For auto repairs, imagine the item has to be completely replaced and installed professionally.

- ❑ Debrief by asking students if they would be able to cover the costs with cash on hand at that moment. Lead a discussion about how these types of unexpected costs might impact the ability to meet other spending obligations or derail progress towards a savings goal.

Spending Plan = Road Map for Success

By failing to prepare, you are preparing to fail.
Benjamin Franklin

Establish priorities; plan in advance to:

- Make progress to achieve goals.
- Avoid “traps” and buyer’s remorse.
- Deal with unexpected costly events.
- Have money on hand when you need it.
- Put you in control of how your money is used.

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Student Guide, pages 22-27

- Introduce spending plans as a way to prepare in advance for planned purchases and to have sufficient funds on hand for unexpected expenses. Introduce the concept that to create a spending plan, a person needs to 1) Identify the expected costs and savings goals, and 2) Figure out how to cover those costs (expenses) with money earned from jobs or received as allowance (income).

Can Michael and Selena Cover Expenses?

Monthly Expenses	Michael	Selena
Cellphone	\$45	\$0
Car Insurance	\$70	\$0
Food	\$120	\$60
Gas	\$40	\$0
Clothes	\$30	\$60
Entertainment	\$100	\$40
Personal Care	\$5	\$10
Donations	\$0	\$8
Total Expenses	\$410	\$178
Estimated Income	\$544	\$160
Difference	\$134	\$(18)

6



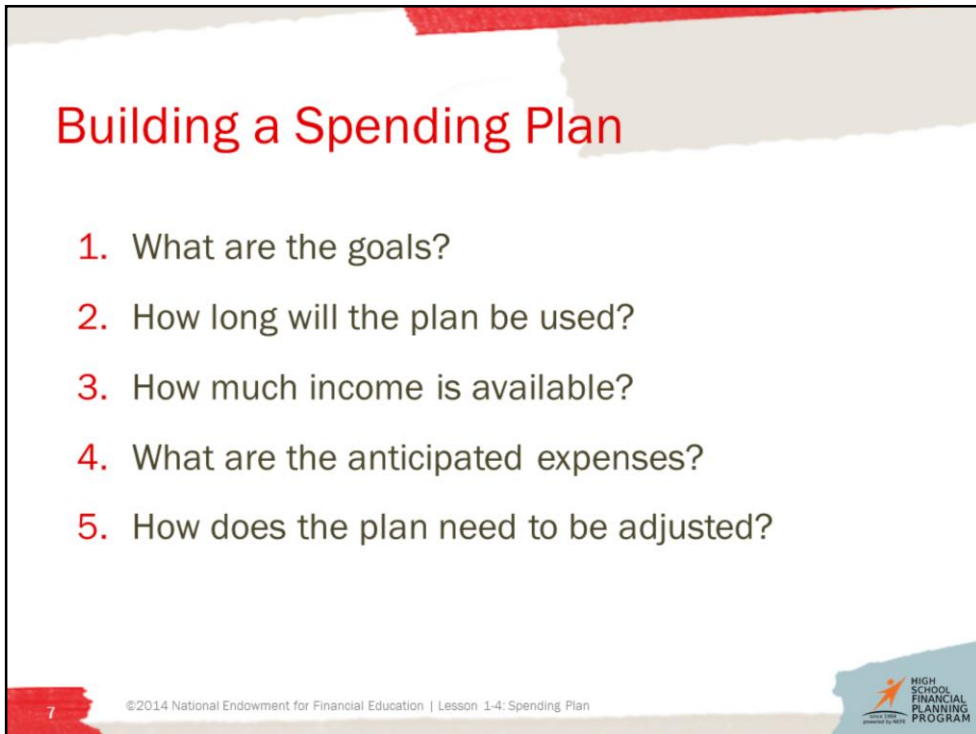
Student Guide, pages 16, 25-27

- ❑ Use this slide so students can assess whether or not Michael and Selena have enough income to cover what they have responsibility to pay for each month. Point out their estimated income (Student Guide, page 25) and their monthly expenses (page 27).

Click 1 on slide: Examine the expense and income amounts and challenge the students to calculate the difference (Student Guide, page 27).

Click 2 on slide: Show the difference to check calculations.

- ❑ Lead a discussion or arrange for students to discuss in small groups how Michael and Selena can adjust their expenses (or income) to ensure they cover their monthly obligations and also have money to set aside for their goals. Point out that Selena has set a goal to save \$25 each month and Michael wants to save \$40 each week. (Student Guide, page 16)



Building a Spending Plan

1. What are the goals?
2. How long will the plan be used?
3. How much income is available?
4. What are the anticipated expenses?
5. How does the plan need to be adjusted?

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Student Guide, pages 24-25

- Introduce students to the steps to create a spending plan. Preview the steps to create a plan/budget.

Predict Your Income

Types of Income:

- Pay
- Allowance
- Interest
- Gift money
- Sales

Tips to Predict:

- Use what is known:
 - Pay
 - Regular allowance
 - Average interest earned
- Be conservative:
 - When estimating, aim lower rather than higher
 - Don't count on windfalls

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Student Guide, pages 24-25

- Point out examples of income, including how Michael and Selena receive income (pages 24-25).
- Guide students to identify their own sources of income, **Activity 1.7: My Income**.

Estimate Your Expenses

Classify Expenses:


- **Fixed:** Known, regular payments (Internet fee)
- **Variable:** Known but irregular payments (groceries)
- **Periodic:** Known but occasional payments (school fees)

Tips to Estimate:

- Use averages for variable expenses
- Split periodic expenses into chunks
 - Example: Plan to set aside \$100 a month to pay the annual \$1,200 car insurance premium.

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Student Guide, pages 26-27

- ❑ Describe and classify expenses as fixed, variable, and periodic. Provide examples (page 26) and reference the examples from Michael's and Selena's list (page 27).

PYF – Pay Yourself First!

Set aside money for “big ticket” items.

Avoid borrowing, which costs you more money.

Very wise to save a little now for later.

Every time you PYF you have more money to spend later on things that are important to you!

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Student Guide, page 28

- Introduce students to the “pay yourself first” (PYF) strategy used to regularly set aside chunks of money to save for bigger financial goals.
- Guide students to complete **Activity 1.8: My Expenses**. If available, they can use the responses from Activity 1.2: My Disappearing Dollars to classify their expenses.

Make Adjustments

Ideal Situation: Spend at or below your means
Income > or = Expenses

<u>If Expenses > Income</u>	<u>If Income > Expenses</u>
↓ variable expenses	↑ PYF savings funds
↑ income	↓ any loan obligations
↓ unnecessary expenses	

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Student Guide, page 30

- ☐ Point out Michael's plan (page 30) to illustrate an example of a month spending plan/budget. Display this slide as you suggest ways to adjust a plan so the income is equal to or more than the anticipated expenses.

Click 1: If expenses exceed income, determine ways to:

- decrease variable expenses
- increase income
- delay or decrease unnecessary expense(s)

Click 2: If income exceeds expenses, this is a good opportunity to:

- increase the amount set aside for the PYF funds and savings goals
- decrease the amount owed

Maya's Spending Plan

Scenario


Maya is a senior in high school who works part time. She is expected to pay her car loan and a few other bills. Help her set up a spending plan to cover her expenses and also allow room to save money for a trip and college tuition.

Answer the following as a guide to complete your task:

- What are Maya's goals?
- How much is her income?
- What are her fixed expenses?
- How should her variable expenses be adjusted?

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- ❑ Display and distribute Maya's Spending Plan task as you preview the task with the students. Have students independently create a spending plan for Maya. Circulate around the room to make sure students put the realistic amounts on a spending plan sheet.
- ❑ When finished, arrange for the students to work in pairs to compare solutions. Instruct them to reach consensus on how to adjust the total income to match the total expenses. Point out that there is no one way to balance it as long as the income covers the expenses and Maya's spending needs and goals are reflected in the final plan.

Without a Spending Plan

- May come up short on money before the next paycheck or allowance payment
- More likely to not reach long-term spending goals
- Added stress if struggling to keep up with payments
- May need to give up something you planned if money needs to be used for unexpected emergencies
- Give up independence if you need to rely on others for financial help

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- Facilitate a brief discussion about the potential consequences of not following a spending plan.

Challenge page 31

Create a **spending plan** so you can pay for the things you need and want.

Choose one of the following situations:

- Big purchase
- Upcoming event
- Monthly expenses

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Student Guide, page 31

- ❑ Guide students to use what they have learned to create their own spending plans for a specific event, financial goal, or to cover their currently monthly expenses. Direct students to use information that is realistic for their current situation as they complete **Challenge 1-C: My Spending Plan**.

Note: For students who don't have regular income, arrange for them to either work from a fictitious situation or arrange to use information for an existing club project or youth program. [See Extension Task]



OVERVIEW

You've analyzed what you've been spending money on and set some SMART goals to strive for. Now, the rubber meets the road and it's time to start making it happen. Your next step is to create the road map that will guide you to your destination: success.

Your map is a spending plan or budget. It should detail exactly how you're going to use your money to pay for the things you want. An effective spending plan not only multiplies your chances of success, it also helps make the journey faster and easier.

In this lesson, you will develop the skills you will need to create an effective spending plan.

LEARNING OUTCOMES

In this lesson you will learn how to create a spending plan. Along the way you will:

- Discuss how a spending plan can help you manage your spending habits.
- Describe what a spending plan is.
- Explain how to use a spending plan.

You will use what you learn to create a plan to guide your spending, particularly for large purchases.

LEARNING TASKS

These tasks match pages 22-31 in Student Guide 1.

__ 1.	Brainstorm a list of tricks stores use to get you to buy things. Think about your experience <i>before</i> you shop as well as when you go <i>into</i> a store. Be sure to include online shopping experiences!
__ 2.	Life happens! There are so many things that happen to us that we don't plan for. Most times, these accidents cost us money. Estimate what a "repair" might cost for incidents that could involve teens.
__ 3.	Determine whether or not Michael and Selena have enough income for their monthly expenses and savings goals. Recommend ways to adjust expenses or income.
__ 4.	Complete Activity 1.7: My Income to list your sources of income. Complete Activity 1.8: My Expenses to classify how you spend your money. Practice creating a spending plan. Make sure that the total expenses don't exceed the total income.
__ 5.	Complete Challenge 1-C: My Spending Plan to create your own spending plan for an event, financial goal, or a month of regular expenses.



EXTENSION

Are you involved with a class or youth group project that involves raising or spending money for a trip or project? Create a spending plan for a class trip or group project.

Start out by setting goals, and then estimate the expected expenses for the trip or project. Use the DECIDE model to identify income options so you can create a realistic spending plan to cover the anticipated expenses.



TAKING IT HOME

What kind of lifestyle do you expect to have in ten years? With an adult, complete the **JumpStart Reality Check** to imagine what your budget might be when you live on your own. (www.jumpstart.org/reality-check.html)

The adult can help explain how the different lifestyle choices you make will impact your wallet. That person can also give you a better idea of what items you *need* to have and also let you know what things can cost, such as medical expenses or a pet.

This short activity will let you know roughly how much you would need to earn an hour to afford your lifestyle choices. It will also give you an idea of a career that will support your desired lifestyle. Talk to the adult about how a job can influence lifestyle choices, as well as how lifestyle choices can impact the job you get.

Activity 1.7: My Income

NAME:

DATE:

1. What kinds of income do you normally receive throughout the year?
2. Are there certain times when you seem to earn more money than usual?
3. What are some predictions you can make about your income this year based on what you've earned before?

Activity 1.8: My Expenses



NAME:

DATE:

Directions:

Use your spending log from **Activity 1.2 My Disappearing Dollars** to group your expenses into categories. Calculate what percent of your total spending is used for each category.

<u>Percent</u>	<u>Expense Type</u>
%	
%	
%	
%	
%	
%	
%	
%	
<hr/>	
100%	

Task: Maya's Spending Plan

NAME:

DATE:

Scenario:

Maya is a senior in high school. She earns \$8 an hour working approximately 25 hours a week at the local grocery store. An estimated 30 percent of her pay is deducted for taxes. Maya also earns approximately \$15 each month in interest on savings.

Maya still owes money on her used car (\$235 a month), but she doesn't pay rent because she lives with her parents. She is responsible for the following expenses every month: cellphone (\$35–\$45), gas (\$40–\$60), and auto insurance (\$50). Maya likes to play video games and listen to music, so she frequently buys games and music. Maya typically buys her own clothes and electronic gadgets, but she also receives gifts from her family for special occasions.

One of Maya's short-term goals is to take a trip to visit her grandparents right after graduation. She expects this to cost \$1,000, and she has already saved \$500. A long-term goal is to attend college over the next four to five years at the local state school. She plans to pay part of the tuition with scholarship money and from her savings. So far she has set aside \$7,000 for her college fund.

Directions:

Create a monthly spending plan for Maya using the information provided. Use this Spending Plan worksheet to build the plan. (Option: Download the spreadsheet file from www.hsfpp.org to easily adjust the income and expense amounts.)

Task: Maya's Spending Plan

Step 1: List Maya's anticipated monthly income sources and amounts. Calculate the total income she expects to receive in a month.

Maya's Monthly Income:	Amounts
Maya's Total Income:	

Step 2: Add expense categories and insert predicted amounts for each category. Remember to include "pay yourself first" amounts to build up Maya's trip fund and college fund. Calculate the predicted total amount needed to cover expenses and savings goals.

Maya's Monthly Expenses and PYF:	Amounts
Maya's Total Expenses:	

Step 3: Compare the total income to total expenses. Make adjustments to the expense amounts to ensure that Maya can cover the expenses with the income she expects each month.

Total Income:	
Total Expenses:	
Difference:	

Task: Maya's Spending Plan

NAME: **KEY**

DATE:

Scenario:

Maya is a senior in high school. She earns \$8 an hour working approximately 25 hours a week at the local grocery store. An estimated 30 percent of her pay is deducted for taxes. Maya also earns approximately \$15 each month in interest on savings.

Maya still owes money on her used car (\$235 a month), but she doesn't pay rent because she lives with her parents. She is responsible for the following expenses every month: cell phone (\$35–\$45), gas (\$40–\$60), and auto insurance (\$50). Maya likes to play video games and listen to music, so she frequently buys games and music. Maya typically buys her own clothes and electronic gadgets, but she also receives gifts from her family for special occasions.

One of Maya's short-term goals is to take a trip to visit her grandparents right after graduation. She expects this to cost \$1,000, and she has already saved \$500. A long-term goal is to attend college over the next four to five years at the local state school. She plans to pay part of the tuition with scholarship money and from her savings. So far she has set aside \$7,000 for her college fund.

Directions:

Create a monthly spending plan for Maya using the information provided. Use this Spending Plan worksheet to build the plan. (Option: Download the spreadsheet file from www.hsfpp.org to easily adjust the income and expense amounts.)

Task: Maya's Spending Plan

Step 1: List Maya's anticipated monthly income sources and amounts. Calculate the total income she expects to receive in a month.

Maya's Monthly Income:	Amounts
Paycheck (\$25 x 8 hours x 4 weeks) minus 30% taxes	\$560
Savings interest	\$ 15
Maya's Total Income:	\$575

*The marked expenses indicate where responses will vary based on the limited details provided in the scenario. Regardless of the specific expense amounts assigned to each category, the Total Expenses should equal the Total Income (\$575).

Step 2: Add expense categories and insert predicted amounts for each category. Remember to include "pay yourself first" amounts to build up Maya's trip fund and college fund. Calculate the predicted total amount needed to cover expenses and savings goals.

Maya's Monthly Expenses and PYF:	Amounts
*PYF – Trip Fund	\$ 40
*PYF – College Fund	\$ 70
Car loan (fixed)	\$235
Auto insurance (fixed)	\$ 50
*Gas	\$ 50
*Cellphone	\$ 40
*Clothing	\$ 40
*Games/Movies/Electronics	\$ 30
*Gifts	\$ 20
Maya's Total Expenses:	\$575

Step 3: Compare the total income to total expenses. Make adjustments to the expense amounts to ensure that Maya can cover the expenses with the income she expects each month.

Total Income:	\$575
Total Expenses:	\$575
Difference:	\$ 0

Challenge 1-C: My Spending Plan

NAME:

DATE:

For this challenge task, create a spending plan to guide your spending for the next several weeks or the next month, or create a plan for a specific large purchase. Add this plan to your personal financial planning portfolio to use as a model whenever your future circumstances change.

Directions:

Do you have to pay for a major purchase, save money for an upcoming event such as a class trip, or take responsibility for regular expenses every month? Apply what you have learned about spending plans as you complete this challenge to plan for your spending responsibility.

- 1. Preview the criteria listed in the Scoring Guide to plan for your assessment.
- 2. Review your financial goals and spending log.
- 3. Write up a spending plan so you can pay for the things or events you need and want. Use the form below or create your own spreadsheet.
- 4. Self-assess your work using the Scoring Guide. Optional: Ask a classmate or family member to peer assess your work using the Scoring Guide to evaluate your work.

Purpose of My Spending Plan:

My Income:	Amounts
My Total Income:	\$

My Expenses:	Amounts
My Total Expenses:	\$

Challenge 1-C: My Spending Plan



NAME:

DATE:

Required Criteria		Status
Content		
1.	In one sentence you state what you want to achieve as a result of the spending plan.	acceptable not acceptable
2.	Outcome involves a specific situation such as a major purchase goal or a specific time period (month or semester).	acceptable not acceptable
3.	You justify how the spending plan is relevant to existing circumstances and values (or a mock situation).	acceptable not acceptable
4.	Income amounts can be expected and do <u>NOT</u> include “chance” income.	acceptable not acceptable
5.	Each income category is labeled to identify the source or type.	acceptable not acceptable
6.	Each expense category is labeled to identify the type.	acceptable not acceptable
7.	Spending Plan contains a Pay Yourself First (PYF) element.	acceptable not acceptable
8.	Evidence is provided to verify the anticipated expense amounts.	acceptable not acceptable
9.	Total expenses do NOT exceed total income.	acceptable not acceptable
10.	You state how the Spending Plan can be adjusted after the Plan is deployed if total <u>expenses</u> turn out to be more than anticipated.	acceptable not acceptable
11.	You state how the Spending Plan can be adjusted after the Plan is deployed if actual <u>income</u> turns out to be more than anticipated.	acceptable not acceptable
General		
12.	Spending Plan includes a label with title and date range.	acceptable not acceptable
13.	Documentation is neat and easy to read.	acceptable not acceptable
14.	Calculations are accurate.	acceptable not acceptable

Feedback:

Score: _____ / _____

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 1998

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 young woman sitting on a tree stump outdoors; and a close-up of a young man smiling. The text is overlaid on a white and grey background.

Cash Flow

TODAY YOU WILL . . .

FIGURE OUT WAYS TO MAINTAIN A

POSITIVE CASH FLOW.

1

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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

4

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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

5

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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?

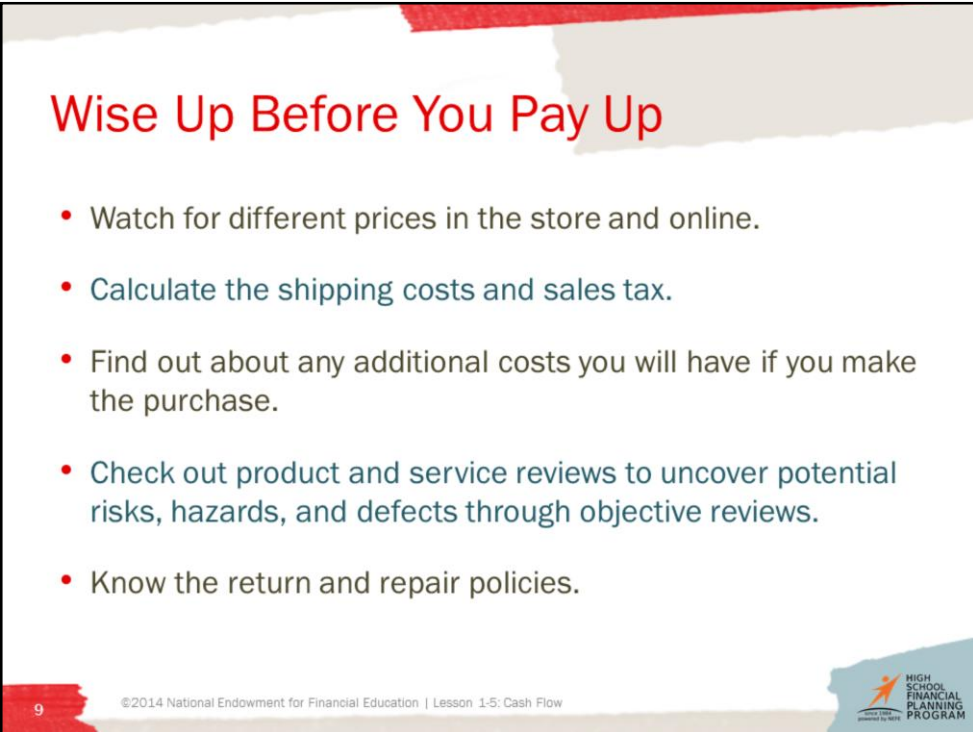
8

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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.

LEARNING OUTCOMES

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: _____ / _____

