

## Week 3 (Day 3): Budgeting (Personal Spending Plan)

| Time Needed   | Materials Needed  | Set-Up Needed  |
|---|---|--|
| 60 minutes  | Financial Content Handouts <ul style="list-style-type: none"> <li>Daily Spending Diary</li> <li>Monthly Income &amp; Expenses</li> <li>Monthly Payment Schedule</li> <li>Net Worth Worksheet</li> </ul>   |  |
| Task, Content, Rational Aim   | Background, Givens, Focus   | Group, Mood, Experiential Aim                                    |
| Determine the benefits of creating and following a personal budget. | Many people do not track their spending habits or have a budget that they follow.   | To get people to make thoughtful decisions before spending money |
| Topic   | Procedural Steps/Activities/Key Points to be made   |  |
| <b>Introduction</b>   | May I see a show of hands for those who have already written or have online monthly budgets (spending and saving plans) for next month. Congratulations for those who do and let's get started tonight for those of you who don't have budgets on paper or online. There are fixed costs that should roll over every month and other costs entered as soon as you get the bill statement. This process will stop you from wondering why there is more month left than money.  |  |
| <b>Discussion</b>   | HANDOUT: <ul style="list-style-type: none"> <li>Monthly Income and Expenses</li> <li>Monthly Payment Schedule</li> <li>Daily Spending Diary</li> </ul> Discuss how budgeting is necessary in creating financial security.<br>Budgeting is about choices...you choosing where your money goes rather than wondering, "Where did my money go?" A good way to start taking control of your financial situation is to develop a budget or personal spending plan. <ul style="list-style-type: none"> <li>What is a budget? (Step-by-Step plan for meeting expenses in a given period of time)</li> <li>What is the purpose of making a budget? (Control spending, start saving, cut back on expenses, etc.)</li> <li>Understand needs versus wants</li> </ul>   |  |
| <b>Activity</b>   | <p><b>Walk through Monthly Income &amp; Expense Worksheet</b><br/>                     Enter all income coming in for the month and all expenses going out, including categories that we may have missed. Every dollar that you get should have a name, even your lottery tickets, entertainment, QT or Starbucks expenses so don't forget this when you are reviewing the budget sheet.</p> <p><b>Talk about Monthly Payment Schedule</b><br/>                     Handout is self-explanatory</p> <p><b>Daily Spending Diary</b><br/>                     Handout is self-explanatory</p> <p><b>Daily Spending Diary</b> (including food and all aspects of daily spending, not monthly expenses)<br/>                     Use this one to track your daily spending, beginning with this morning. If you made a stop to purchase something or have ordered something from Amazon.com this morning, please cease immediately.</p> |  |
| <b>Debrief</b>  | What did you learn about your spending over the past week?<br>What did you learn about your food spending?<br>1. What changes will you implement?   |  |
| <b>Wrap-Up</b>  | Once you've created a budget that covers all of your monthly expenses and financial goals, try to live within your budget and see how it feels. Assess and assess again.<br>Do budgets work with clients? Do you see the need for budgeting? How can you support your clients with budgeting activities?  |  |