

1

## TRAIN THE TRAINER: Financial Education

ADULTS LEARN DIFFERENTLY.

*Improve your direct service skills with methods for teaching adults financial literacy.*

### Webinar #1: Budgeting to Achieve Your Dreams and Goals

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Sponsored by:

Massachusetts Financial Literacy Trust Fund

The Office of Massachusetts State Treasurer & Receiver General

Facilitator:  
Jacqueline Cooper

2

## Purpose

- To understand the place of values in discussions with clients
- To provide a technique for goal setting
- To provide an overview of budgeting tools readily available to your clients
- How to offer guidance for participants choosing a budgeting method

3

## Values

- Values are important and lasting beliefs or ideals shared by the members of a culture about what is good or bad and desirable or undesirable.
- Values have a major influence on a person's behavior and attitude and serve as a broad guideline in all situations.

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4

## What are your current short and long term goals?

- Goals should be written
  - Specific
  - Measurable
  - Attainable
  - Realistic
  - Timely
- Goals are personal to the person who is to achieve them

5

## Budget Essentials

- Accurate Data accumulation
  - Bills
  - Receipts
  - Checking account transactions
  - Credit Card statements
  - Credit report
  - Daily Spending Diary
  - Pay Stubs
  - Other income statements such as pensions, social security, TANF payments, SNAP, etc.

6

## Budget Essentials

- Daily, weekly, or monthly formats
- Projected Income, Expenses, with dates
- Actual income, expenses, and dates
- Difference between actual and projected income and expenses
- Room for memos and notations

7

## Budget Essentials

- Appropriate categorization
- Account for seasonal income and expenses
- Inspire the user to visit regularly for updates and evaluation

8

## Budgeting Methods

- Budgeting methods are
  - Manual
  - Electronic
    - Computer based
    - On-line
    - Apps or applications for smart phones

9

## Manual Budgeting Methods

- Notebook
  - Flexible
  - Creative



10

## Formatted Chart Example

Tips	\$	products, non-food items, etc.)	\$
Interest Received	\$	Clothing	\$
Investment Earnings	\$	Auto (gas, tolls, maintenance)	\$
Rental Income	\$	Debt Payments (auto, credit cards, store cards, etc.)	\$
Pension Income	\$	Child Care	\$
Social Security Income	\$	Health (medical, dental, eye, etc./not covered by insurance)	\$
Alimony Received	\$	Taxes (not taken out of paycheck)	\$
Child Support Received	\$	Gifts (charities, church, holidays, birthdays, etc.)	\$
Other Income	\$	Entertainment (movies, vacation, videos, etc.)	\$
	\$	Personal Allowances	\$
	\$	Other Expenses	\$

11

## Calendar Budget Example

Rent \$1100 / 1st Phone \$75 / 9th Utilities \$200 / 10th Car \$300 / 15th Cable \$99 / 17th Car Ins \$100 / 16th CC #1 \$155 / 18th CC #2 \$75 / 22nd	Grocery \$600 Gas \$200 Entertainment \$100 Take Out \$150	1 Rent \$1100	2	3	4 Grocery \$150 Gas \$50 Entertainment \$25 Take-Out \$37.50	
5	6	7	8	9 Phone \$75	10 Utilities \$200	11 Grocery \$150 Gas \$50 Entertainment \$25 Take-Out \$37.50
12	13	14	15 Car Payment \$300	16 Car Ins \$100	17 Cable \$99	18 CC #1 \$155 Grocery \$150 Gas \$50 Entertainment \$25 Take-Out \$37.50
19	20	21	22 CC #2 \$75	23	24	25 Grocery \$150 Gas \$50 Entertainment \$25 Take-Out \$37.50
26	27	28	29	30		

12

## Create an Envelope System

- Write the name of each budget category on separate envelopes
- Place the cash for each budget category in the appropriate envelope
- Use the money in the envelope to pay the expense
- Use the envelope to document cash additions and withdrawals
- Transfer cash between envelopes to address overages and shortages

13

## Computer Based Budget

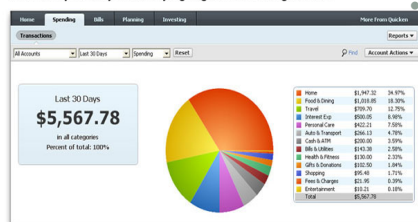
The screenshot shows a 'Personal Budget' spreadsheet with multiple tabs. The 'Income' tab is active, displaying a table with columns for 'Category', 'Amount', and 'Frequency'. Rows include 'Salary', 'Bonuses', 'Investment Income', 'Dividend Income', 'Rental Income', 'Gifts', and 'Other Income'. The 'Expenses' tab is also visible, showing a similar table structure for various spending categories.

- Spreadsheet software
- Create a budget format
- Download a template

14

## Feature of Purchased Software

See exactly where your money's going with auto categorization!



- Purchase software
- Bought from store
- Download from a website

15

## Electronic-On-line Budget

- Spreadsheets on cloud computing website
  - Can be uploaded from computer or created online
- Virtual budget on budget website
  - Data entered by participant
  - Data downloaded through bank account access

16

## Practice Data Security

- HTTPS in URL Address indicating secure server
- Do not use Public Computers or Wi Fi Hotspot
- Secure private WiFi and private computers are okay



17

## Electronic-Apps

- Apps or Applications available for smart phones and computers
- Used as a convenience to update a computer based budget system

18

## How to Choose a Budget Method

- Not one size fits all
- Easiest to understand for the participant
- Suited to participant's resources
- Can be best maintained by the participant

19

## How to Choose a Budget Method

- Can be reviewed so that counselor can assist with challenges
- Use caution if asked to enter personal information for online templates and budgets
- Discourage storage of personal information such as name, address, account numbers, and passwords on online and cloud websites

20

## How to Choose a Budget Method

- If you are in a class setting, ask the participants to discuss a favorite budget tool
  - Participants may have tools that work for them that is easy for other to adapt
  - Builds a supportive community within the group around budget issues

21

## In Review

- Discuss the clients values before moving toward goals
- State goals as a first step in the budget process as a method of developing focus
- Make the list of income and expenses as complete as possible
- Create the budget on an accessible and easy to use tool
- Support the client by providing guidance and review as necessary
- Encourage information security

22

Questions?

# Values Auction

**Directions:** Take a few moments to study this list. Assuming you have \$1,000 to spend and that you must bid in increments of \$100, use the first column to enter the highest bid you would offer for a particular item. You need not bid on all items and you may wish to bid on only one. As the auction progresses, record the amount you actually bid in the second column, whether or not you won the item. Finally, enter the high bid for each item in the third column. You are on your honor not to spend more than the \$1,000 you have been allocated!

	Allocated Bid	My High Bid	Highest Bid
1. The love and admiration of friends	_____	_____	_____
2. Good health	_____	_____	_____
3. Lifetime financial security	_____	_____	_____
4. A lovely home	_____	_____	_____
5. International fame	_____	_____	_____
6. Freedom within my work setting	_____	_____	_____
7. A good love relationship	_____	_____	_____
8. A satisfying religious faith	_____	_____	_____
9. Recognition as the most attractive person in the world	_____	_____	_____
10. An understanding of the meaning of life	_____	_____	_____
11. Success in my profession	_____	_____	_____
12. A personal contribution to the elimination of poverty and sickness	_____	_____	_____
13. A chance to direct the destiny of a nation	_____	_____	_____
14. Freedom to do what I want	_____	_____	_____
15. A satisfying and fulfilling marriage	_____	_____	_____
16. A happy family relationship	_____	_____	_____
17. Complete self-confidence	_____	_____	_____
18. Peace of mind	_____	_____	_____
19. Time to relax and have fun	_____	_____	_____

**Train the Trainer: Financial Education**  
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**Free Resources**

Item		Description
Budget Worksheets	<a href="http://office.microsoft.com/en-us/templates/">http://office.microsoft.com/en-us/templates/</a> <a href="http://www.microsoft.com/mac/templates">http://www.microsoft.com/mac/templates</a>	A variety of templates to suit your budgeting needs. Most budget spreadsheets are in formatted Excel and will provide calculations automatically.
FDIC Money Smart Money Matters Module	<a href="http://www.fdic.gov/consumers/consumer/moneysmart/index.html">http://www.fdic.gov/consumers/consumer/moneysmart/index.html</a>	A new feature allows you to download the modules on demand so you do not have to wait for the CD to arrive in the mail.
NEFE Smart About Money Spending Diary	<a href="http://www.smartaboutmoney.org/Portals/0/Worksheets/SpendingDiary.pdf">http://www.smartaboutmoney.org/Portals/0/Worksheets/SpendingDiary.pdf</a>	Provides a method to document spending. You may want to use it as an idea of how to create a form for your clients.
NEFE Smart About Money Goal Sheet	<a href="http://www.smartaboutmoney.org/Portals/0/Worksheets/SmartGoals.pdf">http://www.smartaboutmoney.org/Portals/0/Worksheets/SmartGoals.pdf</a>	Provides a method to quantify financial goals.
Mint.com	Mint.com	Online money management system
Budgeting: Managing Your Money With a Spending Plan	<a href="http://www.fpanet.org/docs/assets/F309608F-1D09-67A1-7A846DEC415D5FE6/budgetingGuide.pdf">http://www.fpanet.org/docs/assets/F309608F-1D09-67A1-7A846DEC415D5FE6/budgetingGuide.pdf</a>	7 page downloadable handout by the Financial Planners Association
Student Financial Handbook	<a href="http://www.bankofamerica.com/studentbanking/pdf/student_handbook.pdf">http://www.bankofamerica.com/studentbanking/pdf/student_handbook.pdf</a>	Bank of America guide with easy to understand financial information. Branded on Back cover only.