

Education Content Created By



Your money adventure

02: Lay of the land



Participant Guide

02: Lay of the land

Purpose

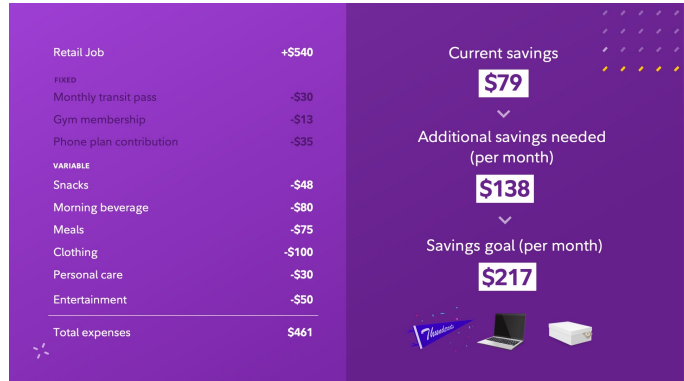
The purpose of this participant guide is to provide an overview for 02: "Lay of the land." Use this guide in conjunction with the 02 PowerPoint slides and activities to answer questions and record your ideas and observations. This guide includes questions, prompts, and a vocabulary list to help maximize the session.

Module description

In this module, you will be introduced to saving concepts. You'll learn how to analyze needs and wants and categorize fixed and variable expenses to reach goals. Compounding interest is introduced so that you can review potential differences with saving vs. investing over time. You'll analyze Trey's budget to help him reach his savings goals and then make changes in your own financial lives to reach your goals. You will be encouraged to track spending for one week.

Process

In the space provided, record your responses, thoughts, ideas, and observations to questions and prompts.

Slide	Content	Record your responses, thoughts, ideas, and observations	Thumbnail																										
5	Welcome.																												
7	Question: Did you have a chance to explore more on social media?																												
10	Session 1: List all the things that cost money. Your facilitator may ask you additional questions.																												
13	Question: Can you think of any celebrities who made a lot of money but spent it all too fast?																												
14	Match the savings type to the different savings goals.																												
19-23	<p>Trey budgeting scenario</p> <p>Slides 19–23 cover a use case for Trey. Trey is a 17-year-old high school senior who works part time at a local athletic store. He’s excited about his senior year because he’s got a lot to look forward to.</p>	<ul style="list-style-type: none"> • Senior Week activities are right around the corner. • Trey just got accepted to his dream school. • He worked hard to keep his grades up and can’t wait to start college this fall. 	 <p>The thumbnail shows a budgeting app interface with a purple background. On the left, it lists income and expenses:</p> <table border="1"> <tr> <td>Retail Job</td> <td>+ \$540</td> </tr> <tr> <td>FIXED</td> <td></td> </tr> <tr> <td>Monthly transit pass</td> <td>-\$30</td> </tr> <tr> <td>Gym membership</td> <td>-\$13</td> </tr> <tr> <td>Phone plan contribution</td> <td>-\$35</td> </tr> <tr> <td>VARIABLE</td> <td></td> </tr> <tr> <td>Snacks</td> <td>-\$48</td> </tr> <tr> <td>Morning beverage</td> <td>-\$80</td> </tr> <tr> <td>Meals</td> <td>-\$75</td> </tr> <tr> <td>Clothing</td> <td>-\$100</td> </tr> <tr> <td>Personal care</td> <td>-\$30</td> </tr> <tr> <td>Entertainment</td> <td>-\$50</td> </tr> <tr> <td>Total expenses</td> <td>\$461</td> </tr> </table> <p>On the right, it shows savings information:</p> <ul style="list-style-type: none"> Current savings: \$79 Additional savings needed (per month): \$138 Savings goal (per month): \$217 <p>At the bottom right, there are icons for a laptop, a printer, and a box, with a 'Next' button.</p>	Retail Job	+ \$540	FIXED		Monthly transit pass	-\$30	Gym membership	-\$13	Phone plan contribution	-\$35	VARIABLE		Snacks	-\$48	Morning beverage	-\$80	Meals	-\$75	Clothing	-\$100	Personal care	-\$30	Entertainment	-\$50	Total expenses	\$461
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Slide	Content	Record your responses, thoughts, ideas, and observations
21	<p>Trey has the following expenses every month: student transit pass, cell phone contribution, and gym membership.</p> <p>Question: Are these fixed or variable expenses?</p>	
22	<p>Question: If Trey makes no changes to his current spending, how much money does he have left over each month?</p>	
22	<p>Question: What are some questions you could ask Trey to take his point of view into consideration?</p>	
22	<p>Working in small groups, identify the categories Trey should reduce spending in to reach his savings goals.</p>	
23	<p>Your facilitator may ask who wants to share first.</p> <p>Question: What other recommendations do you have for Trey to help him reach his goals?</p>	

Slide	Content	Record your responses, thoughts, ideas, and observations
24	<p>Question: What are some ways you might be able to set aside some extra money for the goals you set for yourself last week?</p>	
28	<p>Keep an eye out for how much stuff costs and track all your spending over the course of the next week.</p> <p>Or if you aren't spending it yourself, start to track even more closely things in your life that cost money or look at prices of things to get an idea of how much stuff costs.</p> <p>Write it all down and start to get a big picture of what everyday spending habits look like and how much stuff costs.</p>	



You've finished this session and earned a virtual eyes on the future pin!

Glossary

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Term	Definition
Compounding	Compounding refers to the value of an investment increasing because the earnings on an investment are reinvested and earn additional interest as time passes.
Emergency expense	An emergency expense is an unforeseen expense that requires immediate funds (i.e., new phone, car repair).
Emergency fund	An emergency fund is money set aside and readily available to help cover unexpected urgent expenses.
Fixed expense	Fixed expenses are a budget category of monthly expenses that do not vary month to month.
Intermediate goal	An intermediate goal is one you set out to achieve that is longer than one year away but less than 3 years. Money may grow over time with investment earnings.
Long-term goal	A long-term goal is one you set out to achieve that is longer than 3 years. Money may grow over time with investment earnings.
Match	An employer match is money that your company may contribute to your workplace retirement plan. While there are many ways this can be calculated, in general, the employer may "match" up to a certain portion of the money that you save. For example, let's say your job offers a 4% match. If you chose to set aside 4% of your paycheck into your 401(k), your employer would contribute a dollar-for-dollar "match" of that amount.
Needs	Needs are an essential expense.
Short-term goal	A short-term goal is money set aside for something coming up soon, usually a year or less.
Variable expense	Variable expenses are a budget category of monthly expenses that vary from month to month.
Vesting	Vesting occurs when an employer allows employees to keep matching contributions to their workplace savings plan after a length of service or when a specific performance goal is reached.
Wants	Wants are an expense that may not be essential.
401(k) plan	Generally, a 401(k) plan is a workplace savings plan for investing and saving for retirement offered by many American employers that has tax advantages to the saver.

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