






# Bank Your Future

## Volunteer Instructor Notes

KEY	
*****	<b>Slide Separators</b> To help you know which bullet points are for which slides
	<b>Facilitation Tips</b> Use these tips to help guide the lessons and deliver the activities
	<b>Workbook Activities &amp; Resources</b> All activities and resources are located in the student workbooks
	<b>Important Notes</b> Review these before presenting in a classroom

**Technology:** Educators should have the Prezi loaded and projected on a screen when you arrive at the classroom. If they don't, you can access the links in your Confirmation Email or through the Resource Library on our Classroom Materials page.



**Videos:** Test the videos and the speakers before you begin your presentation. If they don't load quickly or if the speakers don't work, *skip the videos*. If you feel like you may not have enough time to cover the whole lesson, skip the videos. If you feel like they aren't a good fit for the students or your presentation style, skip the videos! All of the content in the videos is covered in the slides.



**Name Tents and Evaluation:** If you do not have these items in your packet, then you do not need them. Sometimes we choose not to include them due to a variety of factors. If they are in your packet, consider handing them out to the students as they walk in the room. This may save you a little time.



**Cell phones in the Classroom:** Cell phones in the classroom can be a distraction, but they are common. Each school and organization has a different policy and we must respect their rules. Unfortunately, we cannot require students to put away their phones if that isn't the organizational policy. Discuss this with the educator before presenting and request that they manage students' usage according to their policy.



**Use the guidelines below to help you time out your presentation.**  
**These times are also listed with each section on the following pages.**

<b>Bank Your Future - FULL LESSON</b>	<b>Minutes</b>	<b>Page</b>
Introduce yourself	3	3-4
Lesson opening and objectives, set ground rules	3	5-6
Budget - definition, components	2	7-8
Earning statement, deductions, ways to get paid <i><b>*important activity</b></i>	5	9-10
Expense tracking, budgeting apps	5	11-14
Needs vs wants	5	15-16
Intro to savings	2	17-18
Anatomy of a budget, pay yourself first	3	19-20
Paths after high school & average salaries <i><b>*important activity</b></i>	6	21-22
Cost of college & how to pay for it	6	23-26
Cost of living ( <b>Pt 2 begins here</b> )	5	27-28
Budget activity <i><b>*MOST important activity</b></i>	15	29-30
How to meet savings goals	3	31-32
Compound interest	3	33-34
Savings strategies & investments	7	35-38
Benefits of saving early (Kelly & John)	3	39-40
Go Do It Now checklist, evaluations	7	41-42
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<b>Bank Your Future - CONDENSED LESSON</b>	<b>Minutes</b>	<b>Page</b>
Introduce yourself	3	3-4
Lesson opening and objectives, set ground rules	3	5-6
Budget - definition, components, apps	2	7-8
Earning statement, deductions, ways to get paid <i><b>*important activity</b></i>	5	9-10
Expense tracking	5	11-14
Needs vs wants <b>(SKIP VIDEO)</b>	2	15-16
Intro to savings	2	17-18
Anatomy of a budget, pay yourself first	3	19-20
Paths after high school & average salaries <i><b>*important activity</b></i>	6	21-22
<del>Cost of college &amp; how to pay for it</del>		
Cost of living	5	27-28
Budget activity <i><b>*MOST important activity</b></i>	15	29-30
How to meet savings goals	3	31-32
<del>Compound interest</del>		
<del>Savings strategies &amp; investments</del>		
Benefits of saving early (Kelly & John)	3	39-40
Go Do It Now checklist, evaluations	4	41-42
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# Bank Your Future



This presentation is based on part of FDIC MoneySmart and NextGen Personal Finance



## Introduce Yourself

3 min



**Pass out the name tents and have the students clearly write their names on them. Do your best to call students by their names throughout the lesson.**

- Introduce yourself in a welcoming manner and make students feel comfortable.
  - o Who are you? What do you do?
  - o Why do you volunteer for SecureFutures?
- What is SecureFutures? An organization that...
  - o delivers financial education to high school students.
  - o provides teens with the financial education and tools needed to form good financial habits that get them ready to live independently.
- Explain why financial education is important and that you will be teaching a financial education lesson to them.

## Stories, Examples & Notes

**Transition:** Let's see what we are going to cover in this lesson...

What does money mean to you?



## What we'll Learn...

- How do you effectively create a budget and plan for money-saving and spending?
- What is a paycheck and how do you read your earning statement?
- How do you determine cost of living independently and how can you manage it responsibly?
- What other options are available to help pay for further education?
- How does earning interest impact the growth of your savings over time?



## How we'll do it..

- Seize the opportunity!
- Be engaged. Ask questions and participate in discussions.
- Respect each others thoughts.
- Use the workbook. Take notes and complete activities.
- Have fun!



## Discussion: Lesson Opening & Objectives

2 min

- **ASK:** What does money mean to you?
  - Students should write a one-word answer on the back of their name tent or make it a group discussion. Have 4-5 students share their answers.



### **Expand on student responses.**

- Summarize why personal finance is important. Share your answer for what money means to you.
- Acknowledge that this can be an uncomfortable topic for some people; let them know it's okay to have different comfort levels and this is a safe space to talk about finances.
- Share what the consequences of poor money management are.
- Money is necessary to support your needs and goals throughout your lifetime. Learning to manage your money well will help you to be successful in achieving your financial goals.

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### **Review the lesson objectives.**

- The foundation of our lesson is based on one of the most important financial concepts you will need to use to be financially successful now and throughout your life: **Budgeting.**

## Set Ground Rules

1 min

### **Share the bullet points on the “How we’ll do this...” slide.**

- Be engaged: ask and answer questions. Be curious!
- Respect each other’s thoughts and listen when others are talking. Don’t interrupt.
- Students should be working in the workbooks during the activities.



**Ask the students if they have any other ground rules they would recommend, or share your own. Discuss how to earn participation incentives (if you’re offering one). Ex: raffle, candy, money.**

## Stories, Examples & Notes

Share: Your own answer to the “What does money mean to you?” question.

**Transition:** First, let’s figure out what a budget actually is...

# What is a Budget?



- It's a record of your income, expenses & savings.
- It's a plan for how to spend and save your money.
- It's a good idea to have one in place, no matter how much you make.

## Budget Components



*Let's start with income...*



## Discussion: Components of a Budget

2 min

- **ASK:** What is a budget?



**Get student responses, then reveal the answers on the slide.**

- **ASK:** Does anyone (or their family or friends) have a budget?
- **ASK:** How do they use it?
- Budgets should be used to plan how you will spend and save your money.
- Following your plan leads to success.

\*\*\*\*\*

- The three components of a budget are:
  - o Income
  - o Savings
  - o Spending

## Stories, Examples & Notes

Share: Tell students about your budget.

**Transition:** Let's start with income...

# Have you ever taken a close look at an earnings statement?



## What comes out of your paycheck before it gets to you?

COMPANY INFORMATION				Earnings Statement			
By Far Best Burgers							
EMPLOYEE INFORMATION				SOC. SEC. SECURITY		EMPLOYEE ID	
Jenny Jones				XXX-XX-1020			
		START DATE	END DATE			CHECK DATE	
		12/12/2018	12/26/2018			12/29/2018	
EARNINGS	RATE	HOURS	CURRENT	YEAR TO DATE	DEDUCT. CNS	CURRENT	YEAR TO DATE
Regular Earnings	9.16	30.00	274.80	6870.00	Federal Tax	27.48	687.00
					Soc. Sec./OASDI	17.04	426.00
					Medicare	3.98	99.50
					State Tax	10.99	274.75
			<b>GROSS PAY</b>	274.80	6870.00	<b>GROSS DEDUCTIONS</b>	59.49
							1487.25
			<b>NET PAY</b>	<b>\$215.31</b>			
CHECK NUMBER #1205				YTD NET PAY \$5382.75			



Gross Pay -  
Gross Deductions  
= Net Pay

## Employer Payment Methods

Payment Method	Fees?	Access to funds	Flexibility
<b>Direct Deposit</b> <i>Goes right into your checking or savings account</i>	No	Immediate	<b>Yes</b> <ul style="list-style-type: none"> <li>ATM</li> <li>Debit Card</li> <li>Transfer \$ to savings</li> </ul>
<b>Check</b> <i>Receive a payroll check which you can then deposit into your checking or savings account</i>	No	Next day after deposit	<b>Yes</b> <ul style="list-style-type: none"> <li>ATM</li> <li>Debit Card</li> <li>Transfer \$ to savings</li> </ul>
<b>Payroll Card</b> <i>Loaded directly onto a payroll card issued by VISA or Mastercard</i>	<b>Yes, fees for:</b> <ul style="list-style-type: none"> <li>ATM use</li> <li>Balance inquiries</li> <li>Maintenance fee for lack of use</li> </ul>	Immediate	<b>Limited</b> <ul style="list-style-type: none"> <li>ATM (with fees)</li> <li>Debit card</li> <li>No \$ transfers to checking or savings</li> </ul>

←  
Best way to get paid!

←  
Employer MUST give you another option!

## Discussion: Earnings Statement

2 min

- **ASK:** Does anyone have a job? Where do you work?

- **ASK:** What's on your earnings statement?

**Have students turn to page 2 of their workbooks and identify Jenny's...**

- Hourly wage
- Hours worked this pay period

- **ASK:** What is automatically deducted from Jenny's paycheck?

**Once you get a few answers, advance the slide to highlight the different deductions.**

- **ASK:** What is FICA? (Federal Insurance Contributions Act)
  - A percentage of your income is taken out to cover FICA taxes.
  - FICA has two parts:
    - Social Security: Intended to provide you with *part* of your retirement income.
    - Medicare: Provides you with health insurance when you turn age 65. Long-term saving is required to reach retirement goals.

<b>Social Security Taxes</b>	6.2% on wages up to \$160,000	For every \$100 you earn, \$7.65 goes to the federal government for FICA.
<b>Medicare Taxes</b>	1.45% on all wages earned	

- Other Deductions
  - Federal, state and local taxes vary depending on factors including your income and location. Generally, as your income increases, so do your taxes.
  - If you have federal, state, and local taxes withheld from your pay, you may not actually owe them. You **must** complete a tax return to see if you should get a refund. Don't let the government keep the extra money that you earned!
  - For most high school students, you won't owe any federal or state taxes.
  - When you are working full time, you may have the opportunity to have health care premiums, retirement fund contributions, and/or charitable donations automatically deducted from your paycheck.

## Activity: Income Equation Activity (PG 2)

1 min

- **ASK:** Gross pay and net pay: What are they and how are they different?

**Once you get a few answers, advance the slide to show the equation:**

- Gross Pay – Deductions = Net Pay

**Have students copy this equation into their workbooks (the words, not the numbers).**

## Discussion: Ways to Get Paid

2 min

- **ASK:** How do you get paid? What are the various other ways you could get paid?
- Stress that direct deposit is by far the best.
- Encourage students to ask employers for other options if they are offered a prepaid card.
- Employers are legally obligated to offer students an alternative to a prepaid card; employees can always ask to be paid via check instead.
- Share a story about how you get paid and what gets deducted from your paycheck.

**Transition:** Now, let's talk about expenses. How do you spend your money?

## Budget Components

Let's talk expenses...

What do you spend your money on now?  
How much do you spend each week?

The best way to know is to track your expenses!



Expense tracking worksheet

Day	Food (coffee, fast food, corner store, groceries)	Transportation (gas, bus tickets)	Personal Expenses (cell phone, clothing, personal products, salon services, other)	Fun (movies, sporting events, music, concerts, hobbies)	Totals
Enter the dollar amount you spent each day in each category. Use approximate amounts if you don't have receipts.					
S		20 - gas		13-mini golf	\$33
M	4 - coffee		15 - CVS		\$19
T	12 - tacos				\$12
W				10 - spotify	\$10
TH	5 - snacks		27 - target		\$32
F	7 - pizza	11 - uber			\$18
S	3 - snacks	9 - uber		20 - movie	\$32
Total	\$31	\$40	\$42	\$43	\$156
Do this for four weeks and you will have an estimate of what you spend on a monthly basis.					

Want another way to track your budget?



Budgeting apps are another great tool...

## Discussion: Expense Tracking

3 min

- **ASK:** What do you spend your money on?
- **ASK:** Does anyone keep track of how much they spend? How?

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**Advance the slide and show them what it looks like when it is filled out.**

- Discuss how to use the worksheet.
- Everyone can track their expenses, even if they don't have a regular income.
  - o If they don't have a regular income, they should track any money they have been given.
  - o If they haven't personally spent anything, they should track what others have spent on them.
- Expense tracking is important because:
  - o It helps you understand where your money is going and whether your spending is aligned with your priorities and goals.
  - o It helps you to know where you can cut back if you have an unexpected expense or need to start saving toward a new goal.



*In the past, this has been a full activity where students fill in the expense tracker. Now, it is just an example of what some people might choose to do.*

## Stories, Examples & Notes

Share: Tell students how you track expenses and how it helps you.

**Transition: Want another way to track your budget?**

## Budgeting Apps

- There are also lots of great budgeting apps that exist and many are free!
- Some connect to your bank account, some help you save goals, and each has different features.
- Find an app that works for you!



**Goodbudget**  
Budget well. Live life. Do good.



shows you your budget status for the month

shows you your credit score estimate

helps you keep track of upcoming bills

section to help you track investments

You can connect your bank account to help you track purchases

Check out features of a budgeting app that works for you!

## Discussion: Budgeting Apps

2 min

- **ASK:** Do any of you use an app for budgeting?
- **ASK:** What features are you looking for in an app?

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- Discuss the benefits of using an app to budget.
- There are many free apps out there with different features
  - Talk about the examples on the slide.
  - Remind students that these are examples and there are lots of choices out there.
  - Mention that some banks & credit unions might have budgeting features as part of their apps.

### Summarize:

- Regardless of how you choose to budget, it is important.
- Small purchases add up quickly.
- It's important to know how you spend your money. This is the first step to creating a budget.
- It's important to plan your expenses and to live within your means.

## Stories, Examples & Notes

**Transition:** When you're looking at expenses, which are needs and which are wants?



## Needs vs. Wants



Which of your expenses were needs and which were wants?

*Consider these spending choices.  
Are they needs or wants?*

- Fast Food
- Car Insurance
- Backpack
- Nike Air Jordan Shoes
- Cell Phone
- Donations to Charity
- Designer Clothes
- Shoes for Work
- Prescription Eyeglasses
- Manicure
- Uber and Lyft
- Other Examples?





## Discussion: Needs vs. Wants

5 min

- **ASK:** What is the difference between a “need” and a “want”?
- The most basic definition of a need is that it is something you need in order to survive.
  - Food, shelter, and clothing.
- Other needs may include transportation, computer, furniture, cell phone, insurance.
  - The type you choose (more expensive vs less) has a big impact on your budget.
- A want is something you really wish you had, but you can still go through your day-to-day activities without it.
- **ASK:** What do you pay for that is a need? Which of your expenses are wants?

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- **ASK:** Are these items needs or wants? Why?
- Explain that opinions may differ and that everyone needs to make personal choices.

\*\*\*\*\*

### Play Video (OPTIONAL) – 1 min, 19 sec

- This video demonstrates the thought process around determining if an expense is a need or a want and making decisions with your money.



*If the video doesn't work or you want to save time, it's okay to skip it. The concepts are covered in other slides.*

### Summarize:

- Making good choices about your wants will help you save more for your short and long-term needs.

## Stories, Examples & Notes

**Transition:** Now, let's look at the savings side of things...

## Budget Components



What are you saving for right now?

What are the top three categories that Gen Z spends their money on?



- A. Electronics and technology
- B. Health and Wellness
- C. Clothing and Fashion

Source: NextGen Personal Finance

## The Basics of Saving

*What types of things will you be saving for in the future?*

- **Education** : college, grad school, etc.
- **Emergency Fund** : medical bills, car repairs
- **Short Term Goals** : car, vacation, etc.
- **Long Term Goals** : house, larger items
- **Retirement** : money to live on after you stop working



*How will you accomplish that?*

**PAY YOURSELF FIRST!**

Don't plan to save only what you have left over. Decide how much you need to save and put that aside **before** spending on other expenses.



## Discussion: Intro to Saving

2 min

- **ASK:** What are you saving for now?
- **ASK:** How long do you think it will take for you to reach your goal?

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- **ASK:** What are the top three categories that Gen Z spends their money on?



**After getting a few responses, click to reveal the answers.**

- Electronics and technology
- Health and wellness
- Clothing and fashion

\*\*\*\*\*

- **ASK:** What types of things will you be saving for in the future?



**After getting responses, advance the slide and introduce the broad types of savings goals that a person might have (an example of a more specific goal is listed next to each).**

- The examples on the slide are just examples of different types of savings goals; each person may have their own unique savings goals for some of these categories.
- Having an emergency fund that covers 3-6 months of expenses can make all the difference when something unexpected happens (illness, injury, loss of employment, natural disaster, car accident).
  - If that seems too overwhelming, even a small emergency fund can help keep people “above water” when something unexpected happens and can help to build the habit of saving over time for things.

- **ASK:** How can you achieve those savings goals?



**After getting responses, advance the slide and introduce “Pay Yourself First.”**

- Setting aside a certain amount of money on a regular schedule, before spending on other expenses.
- Treating savings like a planned expense will help you reach your goals faster than only saving what you have left over each week or month.

## Stories, Examples & Notes

Share: Your savings goals, how you utilize “pay yourself first”.

**Transition:** Now that we understand the components of a budget...

Now that we understand the components of a budget,  
how do we put it all together?



## Anatomy of a Budget

Income	Gross Paycheck	\$360 x 2 (2 times a month)	\$720
	Other	Additional Income	\$60
	Taxes		-\$145
	Net Pay		\$635
Savings	Monthly Savings		\$100
Expenses	Fixed	Cell Phone	\$50
		Car Payment & Insurance	\$200
		Total Fixed Expenses	\$190
	Variable	Restaurants/Snacks	\$75
		Entertainment	\$60
		Shopping	\$100
		Bus Fare or Gas & Upkeep	\$50
		Other	\$50
		Total Variable Expenses	\$335
Total Expenses		\$535	



*Pay  
yourself  
first!*

## Discussion: Anatomy of a Budget

2 min

- **ASK:** Tell me again, what are the three main parts of a budget?
  - Income
  - Spending/Expenses
  - Savings

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- Income – Expenses = Potential Savings
  - This needs to be a positive number!
- **ASK:** What are fixed and variable expenses?
- Fixed and Variable Expenses
  - A fixed expense is a recurring expense of approximately the same amount each month.
  - An expense is variable when you have control over when and how much you spend.  
Variable expenses may change from month to month.
- **ASK:** What are some additional examples of fixed and variable expenses?



## Activity: Pay Yourself First (PG 3)

1 min



**Advance the slide and show how the “Potential Savings” at the bottom becomes the first thing that you allocate your money to when you finalize your budget.**



**Have students fill in this missing phrase in their workbooks. “How do you make saving a habit?”**

- PAY YOURSELF FIRST

## Stories, Examples & Notes

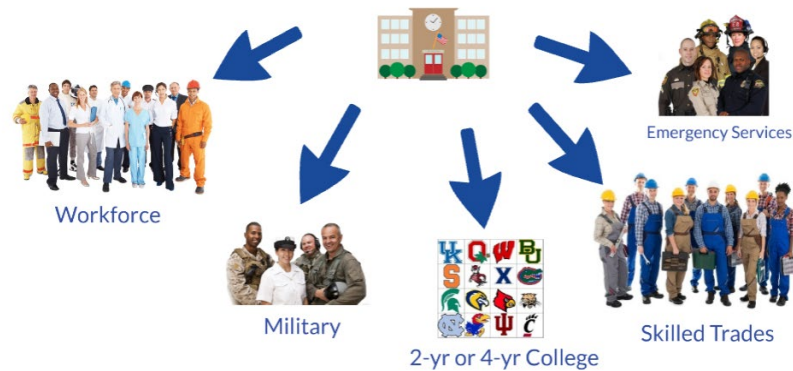
Share: Your budgeting method (written down, in a spreadsheet, on a budgeting app, etc.).

**Transition:** Let’s talk a bit more about income, since that is where all budgets start.

Let's talk a bit more about income.  
That's where all budgets start.



What are some of the different paths  
you can choose after high school?



Let's take a look at the average incomes for these paths.

## Average Starting Salaries



Path	Average Income	Path	Average Income
Enter the workforce	\$27,404	4 Yr Bach Degree (Avg)	\$58,862
Food Preparation and Serving-related Occupations	\$22,037	Communications	\$43,919
Production Occupation	\$27,098	Health Professions	\$54,133
Healthcare Support	\$25,604	Business	\$57,186
2 Yr Assoc. Degree (Avg)	\$48,263	Engineering	\$71,516
Business and Financial Operations Occupations	\$36,377	Apprenticeship in the skilled trades	\$56,748
Healthcare Support Occupations	\$33,231	Military - Army	\$45,571

Including your cost of living



## Discussion: Paths After High School

3 min

- **ASK:** What paths can you choose after high school?



**After getting responses, click to reveal the graphic of the paths and fill in any they missed.**

- Skilled Trades: professions that require an apprenticeship or other formal education apart from college.
- Emergency Services: police officers, firefighters and other first responders that go through mandatory training/academies.
- Remind students that this is not an exhaustive list and these are examples of paths they may choose to take after high school.
- **ASK:** Is there anything wrong with choosing another path besides college?
- College or a 4-year degree isn't for everyone and it isn't the only way to achieve a satisfying career. It is okay to choose a different option!



## Activity: Average Starting Salaries Table (PG 4)

3 min



**Ask students to guess a few of the incomes on the chart, then click to reveal the answers. Students can fill in incomes of jobs that interest them in the table in the workbook.**

- **ASK:** What are your observations as you compare and contrast these paths?
- The typical bachelor's degree recipient can usually expect to earn about 66% more during a 40-year working life than the typical high school graduate earns over the same period.
- Even if you choose not to go to college, continuing your learning and education in some way (formal or informal) will make a significant impact on your earning potential.
- No matter what, keep developing and improving your skills!



*Source for Income Data: National Association of Colleges and Employers, Apprenticeship USA, US Army*

## Stories, Examples & Notes

Share: How you decided on what path to take after high school.

**Transition:** So, how much does it cost to go to college?

## What is the annual cost to go to college?

4 Year College	Public, in-state <i>UW-Milwaukee</i>	Private, non-profit <i>Marquette University</i>
Tuition, fees, and books	\$10,400	\$46,600
Room & Board (on campus)	\$14,300	\$17,000
Total	\$24,700	\$63,600
Average <b>NET PRICE</b> (after grants & scholarships)	\$16,500	\$33,100
2 Year College	Public, in-state <i>MATC</i>	Public, in-state <i>UWM at Waukesha</i>
Tuition, fees, and books	\$7,400	\$5,200
Room & Board (off campus)	\$13,600	N/A
Total	\$21,000	\$5,200
Average <b>NET PRICE</b> (after grants & scholarships)	\$9,300	varies





## Activity: Cost of College Table (PG 4)

3 min



Ask students to guess the cost to attend a 2 year or 4 year college, then click to reveal the answers.



Have students fill in the TOTAL and NET PRICE costs for the option they are most interested in.



*These are the actual costs for four common higher education choices in the Milwaukee area.*

- These numbers seem big, but you can keep your costs low by planning ahead and saving now.
- Be sure to research the average NET PRICE of the schools you are interested in. There is a lot of aid out there if you put the work in to find it.
- Every little bit helps, so don't pass up the small scholarship opportunities!

## Stories, Examples & Notes

**Transition:** So, if you decided to go to college, where does the money come from?

## If you decide to go to college, where does the money come from?

- ✓ Your own savings
- ✓ Gifts from others (friends or family)
- ✓ Part-time work & work study
- ✓ Financial aid & loans
- ✓ Scholarships & grants

How much free financial aid is unclaimed by students who do not file the FAFSA?



*A. \$3.7 Billion*

# FAFSA



Free Application for Federal Student Aid

- You **MUST** complete FAFSA to qualify for financial aid. Don't miss the application deadline!
- It's **FREE** to apply. You never need to pay a person or service to submit your application.
- Talk to your guidance counselors at your school. Talk to your parents. Get all your documents together.
- Reapply every year that you are in school! Don't forget to reapply for scholarships, too!

*End Part 1*

## Discussion: Paying for College

3 min



*Ask the educator (before the lesson, if possible) if financial aid and FAFSA have already been covered or will be covered in depth through other lessons & activities.*

- *If so, don't spend much time on this section. Move on to the next topic.*
- **For all students:** Reinforcement of the need to complete the financial aid application process is very important. Emphasize that there are many different resources that are available for financial aid/assistance.
- **For some students:** This section may be less relevant depending on how it is covered in the school and how affluent the community is.

- **ASK:** Where does the money come from to pay for college? What type of financial aid is available to go to school?  
**After getting responses, advance the slide and reveal the answers.**



- Students need to plan for how they will pay for their education (grants, scholarships, student loans, job, and savings).
- Money is available to help pay for college. Be sure you learn about the various ways you can apply for "free" money to help you pay for college.

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- **ASK:** What very important form is necessary to complete to help you get student aid?

**After getting responses, if no answers correctly, let them know that it is the Free Application for Federal Student Aid form (FAFSA for short)**



- **ASK:** Quiz question - How much free financial aid is unclaimed by students who do not file the FAFSA?

**After getting responses, advance the slide to reveal the answer.**

- \$3.7 Billion

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**Transition:** Let's learn a bit more about FAFSA.



**Students can find additional information on FAFSA on the student resource page by scanning the QR code on the first page of their student workbook.**

- Free Application for Federal Student Aid (FAFSA): [www.fafsa.gov](http://www.fafsa.gov)
- You **MUST** complete FAFSA to qualify for financial aid. Don't miss the application deadline!
- Talk to your guidance counselors at your school. Talk to your parents. Get all your documents together.



*You may have students who are undocumented. If they ask questions regarding FAFSA, suggest that they meet with their school counselor to determine the best path forward.*

- *Undocumented students are not eligible for federal aid, but some universities still require them to complete the FAFSA to qualify for private funding.*

•

### Summarize:

- Be sure you understand how much you will likely spend for tuition, room & board, books & fees, and other costs and what you may need to take out in student loans.
- Your goal is to make the amount of the student loan payment manageable relative to the income you will likely earn as you start your career.
- The decision to enter the workforce or continue your education is a personal choice. There's no right or wrong decision. Do what is best for your situation.

**END OF PART 1:** If you are teaching a two-part lesson and you still have time, continue onto the next slides and get as far as you can.

**Transition:** Now that we've shown how income relates to your choices after high school, let's look at what your expenses might be once you are out on your own.

Start Part 2

## Next Up: Saving & Spending

Let's fast forward to age 22.  
How will you save and spend your income?



## The cost of living...

How much does it cost to live on your own  
for a month?



## The cost of living...

How much does it cost to live on your own  
for a month?

Average monthly spending  
for one person is  
**\$3,505.**

That equates to an annual NET salary of \$42,000.  
(US Bureau of Statistics, 2022)

## The cost of living...

What types of expenses will you have once on  
your own?



## Discussion: Cost of Living

5 min

**START OF PART 2:** If you are teaching a two-part lesson, be sure to reintroduce yourself to the class before jumping into the curriculum. Ask the students what they remember from the last lesson. Ask them if they shared what they learned with anyone. If you did not make it this far in your first session, that is okay. Pick up where you left off.

- **ASK:** How much does it cost to live on your own for a month?



**Once you get a few responses, reveal the next slide with the average expenses for one person.**

\*\*\*\*\*

- **ASK:** What do you think about that number?



**Advance the slide to reveal the net salary and ask students what that means.**

- Refer to the Gross vs. Net Pay discussion from part 1 of this lesson.
- Reinforce that they would need to earn more than the net salary amount to account for deductions.

\*\*\*\*\*



- **ASK:** What types of expenses will you have?

**Once you get a few responses, advance the slide and fill in the details, as necessary.**

- Car, Rent, Groceries, Insurance, Furniture, etc.
- **ASK:** Why is it important to save ahead of time for these goals?
  - Better odds of having money available to pay for your goal.
  - Less likely to borrow money to pay for your goals.
  - Having money for unexpected emergencies is important. (Ask for examples.)
- **ASK:** What do you think might be difficult about managing money once you start to have more expenses?
  - Understanding the timing of my cash inflow and outflow.
  - Organizing how and when I pay bills.
  - Staying on top of making payments on time.
- When you're living on your own, you will have a lot of responsibilities.
- Managing your finances well will be key for financial success.

## Stories, Examples & Notes

**Transition:** Let's put budgeting into practice by having you complete a budget as if you are age 22 and have a full-time job.



# Budgeting Activity

How will you save & spend your income?

### Building Your Budget at Age 22

The first step in creating financial success is to create a budget. It's a simple process where you take your income and decide how you will spend it and save it.

**YOUR OWN INCOME**  
How much money do you have?

Direct Income

Your income is off to a good start! You make \$10,000 a year.

Indirect Income

You make \$1,000 a year from your savings.

Total Income

\$11,000

**YOUR SAVINGS**  
How much money do you want to save? (You can save up to 10% of your income.)

Savings Goals Categories

Emergency Fund

Retirement

College

Home

Other

Suggested Amount to Save

\$100 a month (\$1,200 a year)

\$200 a month (\$2,400 a year)

\$300 a month (\$3,600 a year)

\$400 a month (\$4,800 a year)

\$500 a month (\$6,000 a year)

**My Savings Goals**

Goal 1

Goal 2

Amount to Save

(You must save at least \$100 a month)

\$

\$

**What to Save for:**

\_\_\_\_\_

### STEP 2: EXPENSES

How will you spend your money? (You can spend up to 90% of your income.)

The table below shows the many budget categories you need to consider. The middle column shows what the average person spends per month in this category. It is based on the average spend of \$1,000 a month. You can adjust the amount you spend in each category to fit your needs. For example, if you want to save more, you can reduce your spending in some categories.

Budgeting Categories	Average Spend per Month	My Spending Plan
Food	\$200	\$
Housing	\$1,000	\$
Transportation	\$100	\$
Health Care	\$100	\$
Utilities	\$100	\$
Personal Care (Grooming, Clothing, etc.)	\$100	\$
Entertainment	\$100	\$
Other (Gifts, Travel, etc.)	\$100	\$
<b>TOTAL</b>	<b>\$1,600</b>	<b>\$</b>

**STEP 3: BUDGETING YOUR MONEY**  
Do you have a surplus or a deficit? (You can spend up to 90% of your income.)

Surplus

Deficit

Surplus

Deficit

Surplus

Deficit

Surplus

Deficit

**What to Do:** (You can adjust the amount you spend in each category to fit your needs.)

**Why it's important:** (You can adjust the amount you spend in each category to fit your needs.)

**How to use this budget:** (You can adjust the amount you spend in each category to fit your needs.)

Actively monitoring and revising your budget is key to

Living within your means

Achieving your financial goals

Securing financial freedom!







## Activity: Building Your Budget at Age 22 (PG 5-6)

12 min



**Introduce the budget activity and review each step before having students work independently or in pairs.**

- **STEP 1: INCOME**
  - **ASK:** What does the \$700 in taxes represent? (Soc. Sec., Medicare, Federal and State taxes).
- **STEP 2: SAVING**
  - Write out your goals and assign a monthly savings amount to each. Then, add them up to get your monthly total. This needs to be at least \$150.
- **STEP 3: SPENDING**
  - Review the average person's spending by category. Then, select the amount you will plan to spend based on your lifestyle.
  - You will have to reduce some of the expenses because you only have \$2,300 of net income, while the average amount is \$2,600 (not including savings).
  - Add up your spending choices to get your monthly total.
- **STEP 4: BALANCING YOUR BUDGET**
  - Do the math. You should be shooting for a ZERO surplus or deficit.



**Students do not need to spend time balancing their budget after their first attempt. Just let them know what steps to consider to balance it.**

- If Surplus: Review your expenses to make sure they are realistic and increase where appropriate. Increase savings.
- If Deficit: Review your expenses and cut your spending in categories you could live with. Then, review your savings amounts to see if they are too high.

## Discussion: Budgeting

3 min

- **ASK:** What did you learn about budgeting from that activity?
- **ASK:** How do spending choices impact your ability to save?
- **ASK:** What is likely to happen to you financially if you don't have a budget?
- **ASK:** What other decision would you make to increase your savings?
- Make sure you have a PAY YOURSELF FIRST line in your budget. This is the key to not spending all of your income!
- Budgeting is about making choices, staying disciplined, and making a commitment to monitoring your spending so you can save money for your future goals.



**Advance the slide to illustrate this point.**

- A budget isn't a plan you write and then never revisit. You have to continually compare your actual spending to your budget to ensure you are keeping on track.
- Budgets aren't set in stone! Adjust them as your needs and goals change.
- Savings potential isn't just about income. How you choose to spend your income is a key factor in saving money.

**Transition:** So, what happens if you've set your budget, but you still aren't making your savings goals?

## Ways to meet your savings goals

### Save **MORE**

- Keep a budget and stick to it
- Pay yourself first
- Open a savings account
- Set up automatic transfers so it's easy to add to your savings
- Look into different job opportunities or additional income

### Spend **LESS**

- Be mindful when spending cash
- Use direct deposit
- Think long term, today's purchase can mess up tomorrow's plans.
- Buy only what you **NEED**
- Take a look at your monthly subscriptions (Netflix, Spotify, etc)

**DO NOT USE CHECK CASHING or PAYDAY LOAN STORES!**

## Getting a part-time job can help you save!



15hrs/week at \$12/hr = \$180  
x 52 weeks = **\$9360**

\*don't forget to subtract your taxes!

## Saving a little on a regular basis can add up!

Amount Saved	Balance after 1 yr	Balance after 2 yrs
\$7/Week (\$1/day)	<b>\$365</b>	<b>\$730</b>
\$20/Paycheck (paid every 2 weeks)	<b>\$520</b>	<b>\$1,040</b>
\$100/Month (\$3.33/day or \$25/week)	<b>\$1,200</b>	<b>\$2,400</b>

*This is the accumulated balance just from saving.  
What if you also earn interest?*



## Discussion: How to Work on Your Savings Goals

3 min

- **ASK:** What are ways you can save more or spend less?



Once you get responses, advance the slide and fill in the details.



*Check cashing stores are commonly found in communities where there are few traditional financial institutions that serve that area. They are most common in low-income communities and urban areas. Emphasize that students can cash or deposit their checks for free if they have an account at a bank or credit union. This will save them money in fees.*

- *The fee is usually \$5-\$8 for checks under \$100.*



*Check cashing stores will be discussed at length in the upcoming “Check It Out” lesson. If the students will be receiving that lesson, there is no need to spend a lot of time on this. If they are not, you may want to emphasize it a bit more.*

\*\*\*\*\*

- Explain how getting a part time job can really drive your savings.
- **ASK:** Who has a job? Does it help you save more?
- **ASK:** What could you have for if you had an extra \$6,240/year?

\*\*\*\*\*

- **ASK:** Do you think you could manage one of these savings plans?
- Stress that it is important to start early with some sort of plan.



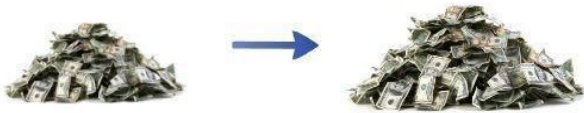
Advance the slide to introduce the next discussion topic: Compound Interest.

## Stories, Examples & Notes

Share: Your own stories of savings examples.

**Transition:** Once you begin saving money it is important to give your money a chance to grow. Let’s take a look at compound interest.

Over time your money makes money...



**Principal**

The money you save or invest

**Principal + Interest**

The money you earn on your principal

...and the money you make in interest makes more money.



**Compound Interest**

The interest earned on your principal and previous interest earned, combined

## Compound Interest

You invest \$1,000 and don't add to it or touch it for 10 years.  
How much will it grow without you doing anything at all?

Year	Principal	Interest @ 8%	Principal plus interest
1	\$1,000	\$80	\$1,080
2	\$1,080	\$86	\$1,166
5	\$1,360	\$109	\$1,469
10	\$1,999	\$160	\$2,159

## Discussion: Compound Interest

3 min

- **ASK:** What is principal?
- **ASK:** What is interest?

➤ Once you get responses, advance the slide to reveal the definitions.

➤ Gauge how familiar the students are with this concept to determine how thorough your explanation should be.

\*\*\*\*\*

- **ASK:** What is compound interest?

➤ Once you get responses, advance the slide to reveal the definition.

\*\*\*\*\*

➤ Review the table to illustrate how interest is continuously added to their principal and the new combined amount earns the interest or growth rate.

💡 *The example is set at 8% to demonstrate the power of compound interest and clarify the concept.*

## Stories, Examples & Notes

**Transition:** Do the savings strategies you choose affect how your money grows?

## There are different ways to save. Do you think they affect how your money grows?

Savings Account (2%) vs Investments (8%)



## Let's compare....

### *Savings Account*

- Safe - Your money is insured
- Low rate of interest.
  - Shop around to find the best rate. Online banks and Certificates of Deposit usually offer better rates.
- Access your money any time
- **Purpose:** short term goals and needs that you will want to accomplish in less than 5 years

### *Investments*

- Risky - You can lose money
- Better chance of bigger returns, but you need to ride out ups and downs
- Choose reputable companies, funds and bonds
- **Purpose:** Long term goals & needs that are 5 or more years out
- Find an Investment Adviser when you're ready!

## Discussion: Savings Strategies

4 min

- **ASK:** Do the savings strategies you choose affect how your money grows?

➤ **After getting responses, reveal the Systematic Saving Plan graph to illustrate the power of investing regularly and compare how your money grows at 2% vs. 8%.**

\*\*\*\*\*

- Compare and contrast saving with a savings account and investing.
- Stress that there is a use for both types of strategies and choosing how to take advantage of them depends on your personal goals and needs.
- Stress that they should all work to “Pay Yourself First” as they begin their careers.

## Stories, Examples & Notes

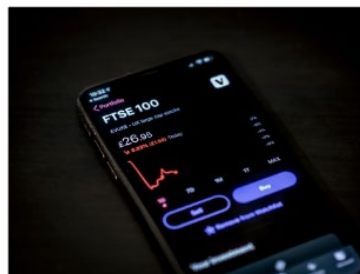
**Transition:** Let’s take a closer look at a couple types of investments: stocks and bonds...

Video



Do you think you will  
invest your money?  
Why?

What percentage of 18-29 year olds  
are investing in the stock market?



A. 41%

Source: NextGen Personal Finance

## Discussion: Investments

3 min



### Play Video (OPTIONAL) – 51 sec

- This video describes the difference between saving and investing. If you think students already understand this concept, you may choose to skip the video.



*If the video doesn't work or you want to save time, it's okay to skip it. The concepts are covered in other slides.*

\*\*\*\*\*

- **ASK:** Do you think you will invest your money? Why?
- Remind them that investing can be risky, but may result in greater returns.
- Investing is best for long-term goals. The power is in the time you let it sit.

\*\*\*\*\*

- **ASK:** Quiz question – What percentage of 18-29 year olds are investing in the stock market?



**After getting responses, advance the slide to reveal the answer.**

- o 41%.
- o Feel free to ask the students if any of them have started investing.

## Stories, Examples & Notes

Share: Do you have an investment strategy? How long have you been investing?

**Transition:** What do you think is more important when it comes to compound interest, the amount of money you save or how long you save for?

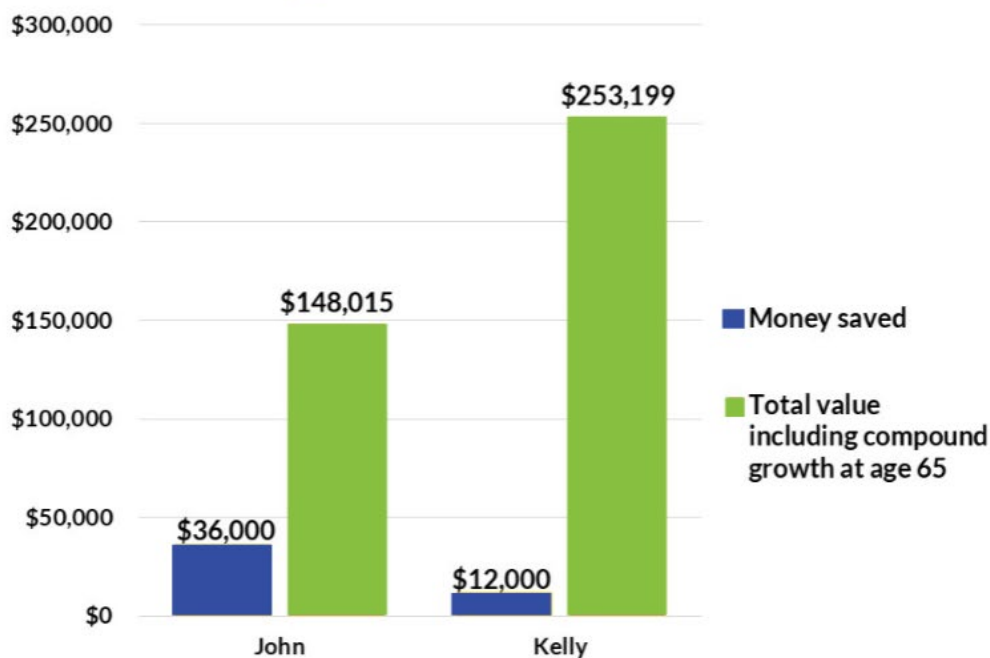


# Benefits of Saving Early

John	Kelly
<ul style="list-style-type: none"><li>• Starts at age 35</li></ul>	<ul style="list-style-type: none"><li>• Starts at age 22</li></ul>
<ul style="list-style-type: none"><li>• Saves \$100 per month for 30 years (\$36,000)</li></ul>	<ul style="list-style-type: none"><li>• Saves \$100 per month for 10 years (\$12,000)</li></ul>

*The growth rate is 8% compounded annually.  
Who will have more money at age 65?*

## Savings with Interest





## Discussion: Benefits of Saving Early

3 min

- Set up this scenario:
  - o **John** had huge credit card and student loan debt when he graduated from college and it took him years to pay off. He didn't know how important it was to start saving and investing early, so he waited until age 35 to start. He put away \$36,000 over 30 years, then stopped contributing to his account at age 65.
  - o **Kelly** learned about financial literacy in high school, so she understood the benefits of saving early. She started saving and investing right after college. She put away \$12,000 over 10 years, then stopped contributing to her account at age 32.
- **ASK:** Who will have more money at the age of 65?



**After getting responses, reveal the slide with the chart that illustrates the scenario.**

\*\*\*\*\*

- **ASK:** Why does Kelly end up with so much more money having only invested \$12,000 vs. John's \$36,000?
- Stress how "time" is one of the most important ingredients in compounding/ growing your money.
- John ended up with nearly \$100,000 less than Kelly at age 65 because he started saving later.

## Stories, Examples & Notes

**Transition:** Let's review the Financial Capability Checklist and see how you can put all these concepts we've learned into action...



# Go Do It Now!

Financial Issue	Best Practices to Help Manage Money Responsibly	My Financial To Do List
Paycheck and Taxes (if you have a job)	<input type="checkbox"/> I have opened checking and savings accounts. <input type="checkbox"/> Direct Deposit is set up with my account at a bank or credit union. <input type="checkbox"/> I review my earnings statement and understand my deductions.	
Spending	<input type="checkbox"/> I track my expenses by using online banking tools, writing them down, or using my phone. <input type="checkbox"/> I understand how I spend my money on needs vs. wants.	
Budgeting	<input type="checkbox"/> I have a written budget and have set spending limits and a monthly savings goal. <input type="checkbox"/> I compare my monthly expenses to my planned budget to make sure I am on track to save.	
Saving	<input type="checkbox"/> I "Pay Myself First" each week or month and then spend. <input type="checkbox"/> I have set a savings goal for something I need or want to pay for in the next 1-2 years. My goal is to save \$ _____ to pay for _____ The monthly amount I will save to accomplish this goal is \$ _____. <input type="checkbox"/> I have set up a retirement account to start saving early.	

*Create your action plan!*



## Questions?

*Let's complete the Post-Survey so we can see what you've learned...*



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## Activity: Financial Capability Checklist (PG 7)

3 min



### Review the Student Financial Capability Checklist.

- Explain that they can use this as a checklist for building strong financial behaviors.
- Challenge students to put all of the best practices in place to help manage their financial lives successfully.
- Remind students that there are more resources available to them by scanning the QR code in their workbook. That link will bring them to the SecureFutures website with information that corresponds to each Money Sense lesson.
- **ASK:** Which steps do you plan to take right away?



**CONDENSED LESSON ADAPTATION:** Do not go through each section of the checklist. Simply let the students know they can use the checklist to put the topics they learned today into practice. Skip the student question

## Distribute Evaluations If Applicable

4 min



### Have each student complete an evaluation if you are not teaching any other Money Sense lessons

- Remind students to fill out the evaluations honestly and their feedback helps us continue to improve our programs.



### When students are finished, collect the evaluations.



***Please return the evaluations to SecureFutures after you have completed your entire program commitment. Feel free to use the prepaid material return label included with your materials.***



## *SecureFutures*

*SecureFutures empowers teenagers with the knowledge, tools, and mentoring for a lifetime of financial capability. Our engaging volunteers, dynamic schools, and generous supporters share a vision of stronger communities built by an investment in “money smart” teens.*

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