



Speaker Notes for Money Savvy U®

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Produced by:

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****BEFORE BEGINNING LESSON ONE****

*[Find the **Budget Template.xls** in the MSU Worksheets folder on the curriculum flash drive. **Print enough copies** so each student gets their own worksheet for the class activity.]*

OPTIONAL: *Print the **first 2 pages** of the **Are U Money Savvy Worksheets** and the **Joe's Diving Store activity** for optional homework or as an in-class assignment. The worksheets are also in the MSU Worksheets folder.*

Make sure each student has their Cash Cache Organizer with them and ready to use the worksheets in the back of the binder for the class activities.

Agenda

What we'll learn today

01

Talk about how to manage your money

02

Introduce you to a new money management tool

03

Help you get started on your way to financial success

04

Answer your questions

[Agenda points will automatically appear]

In this course we are going to teach you how to manage your money wisely. We will also introduce you to a new money management tool called the **Cash Cache Beginning Personal Finance Organizer** that will help you get your finances organized and to stay organized. The goal of this course is to help you get started on your way to financial success. I'm sure that our discussion will generate many questions so we will attempt to tackle any of your specific questions during the course.

Note: **Cash Cache** (*pronounced cash cash*); Definition: 1) A hiding place used especially for storing provisions; 2) A place for concealment and safekeeping, as of valuables.

Lesson Topics

- 1. Budgeting**
- 2. Power of Compounding**
- 3. Smart Spending**
- 4. Smart Borrowing and Use of Credit Cards**
- 5. Smart Investing**
- 6. Ways To Pay**
- 7. Mobile Payments and Apps**
- 8. Identity Protection**

The lesson material that we will be covering includes these topics: *[Click for topic list to appear]*

1. Budgeting
2. The Power of Compounding
3. Smart Spending
4. Smart Borrowing and Use of Credit Cards
5. Smart Investing
6. Ways to Pay
7. Mobile Payments and Apps
8. Identity Protection

We want these lessons to be extremely useful to you so you should bring real life questions to the class as they occur to you.



Why is it important to learn how to manage your money?

Before we dive into the first lesson, let's start by getting on the same page. Why is it important to learn how to manage your money?

[Take suggested answers from the students]

Possible answers include:

- So that your money can work for you rather than the other way around
- So that you can plan for your future
- So that you can achieve your goals
- So that you can stay out of financial trouble



When you know how to manage your money. . .

You know how to make your money work for you!
Your money is earning money for you. How?

Money earns money when you have assets (things you own) that:

- pay you back cash *EXAMPLE: shares of stock*
- appreciate (grow) in value *EXAMPLE: real estate*

Because when you know how to manage your money, you know how to make your money work for you!

What do we mean by “making your money work for you”? *[Take suggested answers from the students]*

[Click to reveal answer]

When money is working for you, it means that your money is earning money. How is that possible? *[Take suggested answers from the students]*

[Click to reveal answer]

Money earns money when you have assets (things you own) that pay you back cash or when they appreciate (grow) in value.

[Click to reveal example]

An example of an asset that pays you back cash is some shares of stock where the company pays a cash dividend for each share of stock you own. This happens when the company chooses to distribute some of its profits in cash to the stockholders.

[Click to reveal example]

An example of an asset that appreciates in value is real estate. . . land or property that is valuable and just keeps getting more valuable as new buildable land becomes more scarce.

Lesson 1: Budgeting

What is a budget?

A budget is a spending plan.

Do you or someone you know have a budget?

What goes into a budget?

Depends upon your goals

The first lesson that we will tackle is budgeting. Who knows what a budget is? *[Take suggested answers from the students]*

[Click to reveal definition and questions]

A budget is a spending plan.

Does anyone here have their own budget? If so, what can you tell us about it?

What about your parents or guardians, do any of them have budgets?

[Click to reveal question and answer]

What goes into a budget? That depends on what your goals are.

Lesson 1: Budgeting

Short-term goals
within one year

Long-term goals
ten or more years from now

Opportunity cost
what you have to give up today
in order to have something later on

The key to becoming financially successful is to plan for how to connect your money to help you achieve your goals in life. There are different types of goals, of course.

[Click to reveal types of goals]

There are short-term goals and long-term goals.

Short-term goals are things you want or need and don't have quite enough money to purchase right now, but you'd like to buy them within one year. *[Click to reveal text]*

Some examples of short-term goals include: a new phone or laptop, a bike or scooter, a vacation, a gaming system or sports equipment.

Long-term goals are things you want or need that are more expensive and will take more time to save up for, maybe 10 or more years from now. *[Click to reveal text]*

Examples of some long-term goals include: a car, money for college, a down-payment on your first home, money to retire on that private island you've always wanted.


In order to save for some of the goals, especially those that are more expensive, you may need to give up other things that you would like.

[Click to reveal term and definition]

Economists call this the **opportunity cost**. You must be disciplined to give up something today, so that your tomorrow will be easier.

Let's try setting some goals *(click to next slide for class activity)*

Class Activity



Short-term goal
months

Short-Term Savings Goal Sheet
I'm saving for the next ____ months for this goal:

A description of my goal:

My goal costs:
\$

Long-term goal
years

Long-Term Savings Goal Sheet
I'm investing for the next ____ months for this goal:

A description of my goal:

My goal costs:
\$

Your opportunity costs?

OPTIONAL: Savings Goal Calculator
<https://www.bankrate.com/banking/savings/saving-goals-calculator/>

Class Activity:

I'd like each of you to think about your own short and long-term goals. Please pull out the goal-setting worksheets from the back of your Cash Cache organizer, both the short-term worksheet as well as the long-term worksheet.

When we speak about short-term goals, we think in terms of months, such as saving for gym shoes, a new phone, a computer, etc.

Long-term goals are things you save up for over several years to achieve, like getting a new car, a college education, or a house.

On your goal-setting sheets write down some of your goals, both short-term and long-term on the corresponding worksheet. Take a few minutes to do this.

Would anyone like to share with us some of their goals? *[Take responses from the class]*

Remember, **opportunity cost** mentioned earlier? Your long-term goals will likely involve opportunity cost. Meaning, you need to be disciplined to give up something today, so that achieving those more expensive goals in the future will be possible.

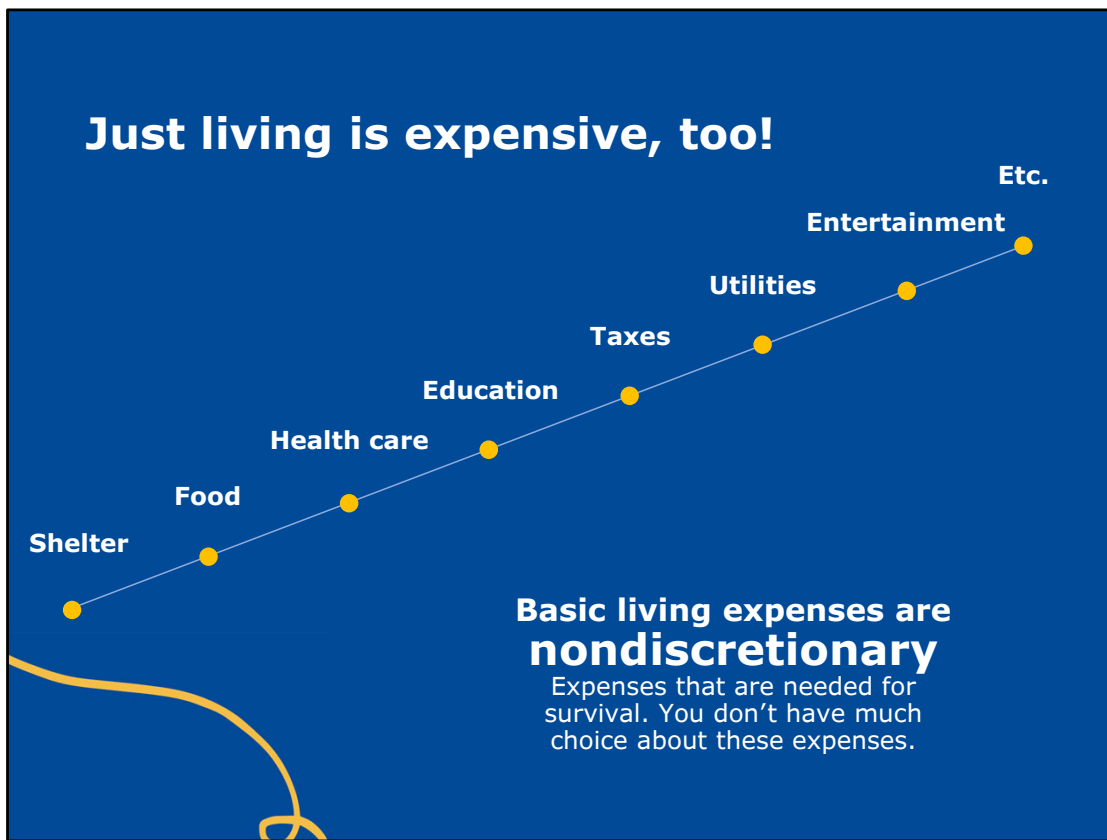
Can you think of something that you may need to give up today so you can save up to achieve your long-term goal in the future? *[wait for student responses]*

EXAMPLES:

- Getting a Starbucks coffee or bottle of Diet Coke or Pepsi each day
- Eating fast food once or twice a week
- Downloading more expensive movies or games

Optional:

[Use the savings goal calculator at <https://www.bankrate.com/banking/savings/saving-goals-calculator/> to demonstrate how to save for a goal over time using various assumptions.]



Short-term and long-term goals are important to have, but most of our money goes toward the day-to-day business of living, month after month.

Basic living expenses are considered nondiscretionary. Which means you don't have much choice about these expenses. They are necessary for survival. Granted, you have some choice over how big or expensive a house you live in will be and how many meals a day you eat. But there is a certain minimum below which most people aren't willing to go.

Can anyone think of any other expenses that they would consider nondiscretionary? *[Take suggested answers from students and let the class debate over the suggestions]*

What is a budget?

- **A budget is a spending plan.**
- **It is YOUR plan. You can change it when you want.**
- **You are in charge of the decisions.**
- **It helps you keep track of your spending.**
- **It helps you achieve your goals more quickly.**

Money-savvy people create and manage to a personal budget to help them plan how they want to spend their money. Some people associate a budget with drudgery. A budget is not a chore, nor is it a ban on spending. A budget is simply a plan. . . A spending plan.

[click to reveal each individual bullet]

- It's not a plan set by someone else, it is YOUR spending plan.
- You make the decisions about how you want to spend your money.
- It helps you to see in black and white whether you HAVE enough money to spend on all the things you want to spend on in the first place. If it turns out you don't, it is a handy tool to help you figure out how to make room for everything you want.
- When saving towards one or more goals is part of your budget, you will achieve those goals more quickly when you follow your spending plan every month.

If you need to deviate from your plan on occasion, it's no big deal. With a budget in place you will be CONSCIOUSLY planning to make one trade off for another.

For example, let's say your friend invites you to go to your favorite band's concert in a neighboring city. He'll pay for the tickets if you will drive and pay the \$50 needed for gas. It's not in your original plan, but your budget can show you how to make it work. Your choices are as varied as the line items (or list of individual expenses) in your budget. You could give up spending on fast food for the month, delay getting that new sweatshirt, or even delay the deposit of money to your long-term goal savings account. The choice is yours.

What does a budget look like?

Monthly Budget

For: _____ Date: _____

EXPENSES
money going "out"
of your budget

INCOME

Take Home Pay	\$ _____
Allowance	\$ _____
Gifts	\$ _____
Part-time Jobs and Chores	\$ _____
Other Sources	\$ _____
TOTAL	\$ _____

INCOME
money coming "in"
to your budget

EXPENSES

HOUSEHOLD	
Rent/Mortgage	\$ _____
Utilities (electric, gas, trash, water)	\$ _____
Cable/Satellite TV and Internet	\$ _____
Telephone and Long Distance	\$ _____
Cell Phone	\$ _____
Other Household Expenses	\$ _____
TOTAL	\$ _____
FOOD	
Groceries	\$ _____
Lunches and Snacks	\$ _____
Eating Out	\$ _____
TOTAL	\$ _____
TRANSPORTATION	
Car Payment	\$ _____
Insurance	\$ _____
Gasoline	\$ _____
Maintenance and Repairs	\$ _____
Public Transportation	\$ _____
Other (parking, tolls)	\$ _____
TOTAL	\$ _____
HEALTHCARE	
Doctor	\$ _____
Dentist	\$ _____
Prescriptions	\$ _____
Medical Insurance	\$ _____
Other Healthcare Expenses	\$ _____
TOTAL	\$ _____

LOOKING GOOD	
Clothes and Shoes	\$ _____
Toiletries	\$ _____
Laundry and Cleaners	\$ _____
Hair Care	\$ _____
Other Looking Good Expenses	\$ _____
TOTAL	\$ _____
JUST FOR FUN	
Movies/Games/Concerts	\$ _____
Dates/Trips	\$ _____
Music Purchases	\$ _____
Books/Magazines/Newspaper	\$ _____
Hobbies	\$ _____
Other	\$ _____
TOTAL	\$ _____
MISCELLANEOUS	
Credit Card	\$ _____
Savings and Investments	\$ _____
Education (tuition, books, fees)	\$ _____
Gifts and Charity	\$ _____
Pets	\$ _____
TOTAL	\$ _____

• Divide annual income and expenses by 12 to get a monthly figure.
• Some expenses (like utilities) will change throughout the year, so use a monthly average.

GRAND TOTAL

TOTAL ALL INCOME	\$ _____
Subtract	-
TOTAL ALL EXPENSES	\$ _____
BOTTOM LINE	\$ _____

INCOME - EXPENSES
Amount left to save or spend

If you've never seen a monthly budget before, this is a good example of one.

At the top right in the light blue box are the sources of income. *[Click to reveal term and definition]*

That is where you would record how much income of each type you have coming in every month.

The large purple box is where you would record all of your expenses. *[Click to reveal term and definition]*

Some categories might apply to you and some might not. And then there might be other categories that apply to you that are not on this example.

[Click to reveal formula]

In the red box in the lower right corner is where you subtract expenses from income to make sure that you are not spending more than you have.

10 Good reasons to budget



01

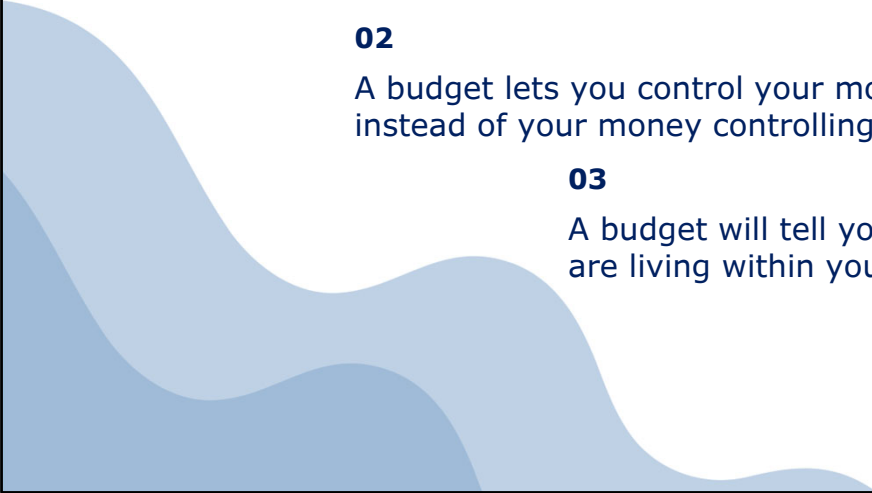
It is a guide to tell you whether you're headed in the direction financially that you want to be going.

02

A budget lets you control your money instead of your money controlling YOU.

03

A budget will tell you if you are living within your means.



I have a list of 10 good reasons that you should budget. These aren't the only reasons, but 10 really good ones.

[Click to reveal each individual reason]

1. A budget is a guide that tells you whether you're headed in the direction financially that you want to be going. You may have goals and dreams, but if you don't set up guidelines for reaching them and you don't measure your progress, you may end up going so far in the wrong direction you can never make it back. Can you imagine the government or a major corporation operating without a budget? No, so neither should you.
2. A budget lets you control your money instead of your money controlling you.
3. A budget will tell you if you're living within your means. Before the widespread use of credit cards, you could tell if you were living within your means because you had money left over after paying all your bills. The use of credit cards has made this much less obvious. Many people don't realize they're living far beyond their means until they're knee deep in debt.

10 Good reasons to budget *(cont.)*

04

A budget can help you meet your savings goals.

05

Following a realistic budget frees up spare cash.

06

A budget helps you prepare for emergencies.

[Click to reveal each individual reason]

4. A budget can help you meet your savings goals. It includes a mechanism for setting aside money for savings and investments.

5. Following a realistic budget frees up spare cash so you can use your money on the things that really matter to you instead of spending it on things you don't even remember buying.

6. A budget helps you prepare for emergencies, because a budget should include a category of "saving for a rainy day," which means saving for the unexpected.



10 Good reasons to budget *(cont.)*

07

A budget can improve your marriage.

08

A budget reveals where you are spending too much money.

09

A budget can *keep* you out of debt.

10

A budget helps you sleep better at night.

[Click to reveal each individual reason]

7. A budget can improve your marriage. Though you likely aren't getting married right now, remember that a good budget is not just a spending plan; it's a communication tool. When it is done right, a budget can bring the two of you closer together as you identify and work toward common goals and reduce arguments about money. That's got to be good for your relationship. In fact, arguments over money are the single biggest reason that people get divorced. Having a budget in place that you can both agree on will likely save your marriage.
8. If you record what you actually spend each month on all items, a budget will help show where you are spending money that you don't intend to. It can show you where you need to possibly change your budget or your spending habits.
9. A budget can *keep* you out of debt or help you *get* out of debt.
10. A budget helps you sleep better at night because you don't lie awake worrying about how you're going to make ends meet.

Cash Cache® Personal Finance Organizer



- Helps with getting and staying organized, to develop a financial plan and to practice **delayed gratification**.
 - The ability to delay the impulse for an immediate reward now to receive an even better reward in the future.
- Handy folder pockets to store coupons and documents.

Now let's take a look at your Cash Cache Personal Finance Organizer. It is designed to help you get and stay organized and to help you develop a personal financial plan and a sense of delayed gratification. Who knows what delayed gratification means? *[Take suggested answers from the students]*

[Click to reveal definition]

The ability to delay the impulse for an immediate reward now to receive an even better reward in the future.

[Click to reveal next bullet]

Now pick up your Cash Cache and open up the front flap. As you can see there are pockets to hold your papers, coupons and other documents in the front.

[continue to next slide]

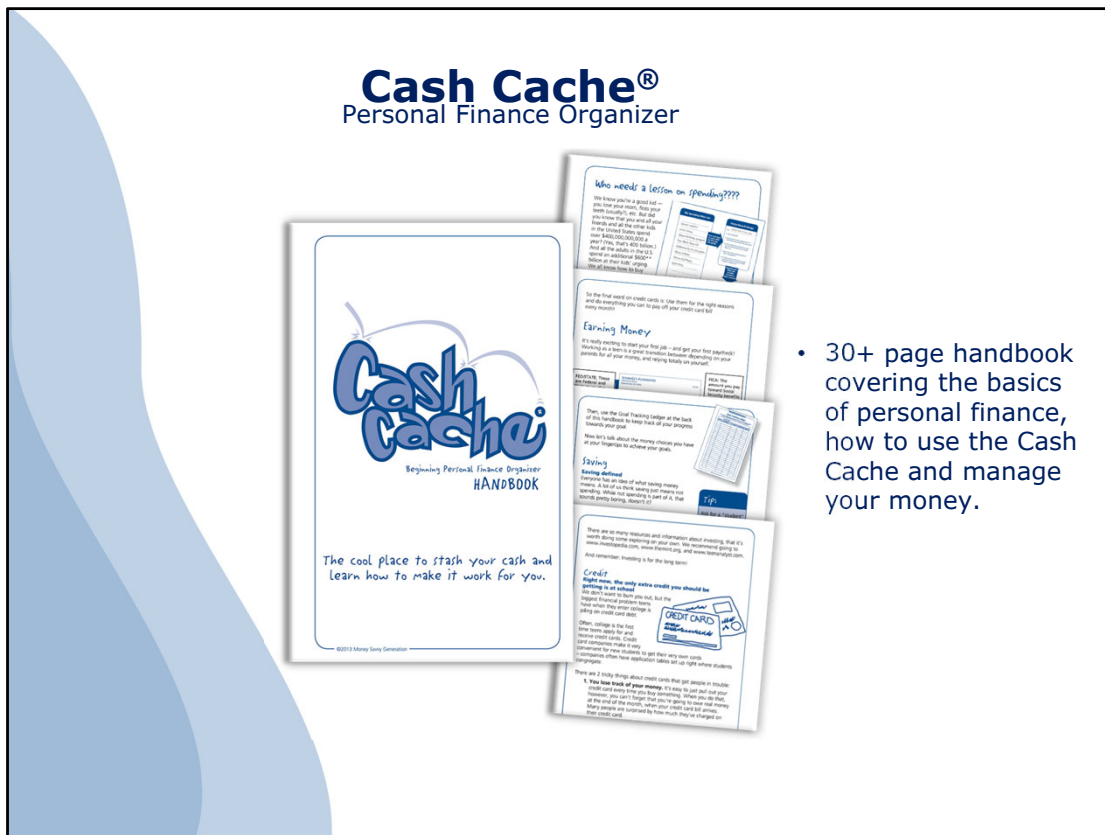
Cash Cache® Personal Finance Organizer



- Colored zippered pouches organize cash for spending, saving, donating and investing.

There are also zippered pockets with the words Spend, Save, Donate and Invest. This is where you will keep your money. They are see-through so you can always tell how much cash you have in each.

[click to next slide]

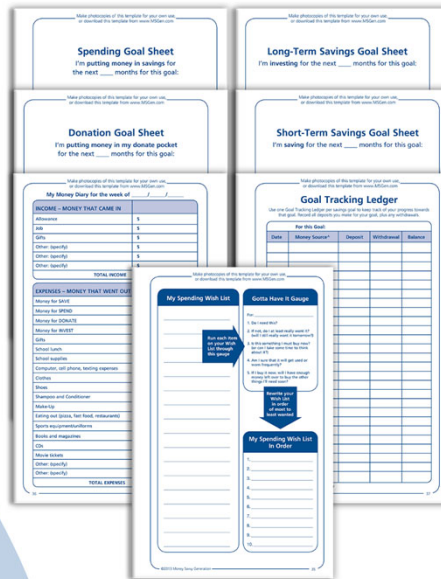


Then we have the Cash Cache Handbook which teaches you how to use the Cash Cache and how to use your money.

THERE ARE MANY TOPICS COVERED IN THIS HANDBOOK and I urge you to read this book completely.

[click to next slide]

Cash Cache® Personal Finance Organizer



Worksheets:

- Short-term goal sheet
- Long-term goal sheet
- Spending goal sheet
- Donation goal sheet
- Spending wish list
- Budgeting sheet / money diary
- Tracking progress towards your goals.

Download more sheets for free

https://www.moneysavvy.com/products/cash_cache.html

Finally, we have worksheets:

- Short-term goal sheet
- Long-term goal sheet
- Spending goal sheet
- Donation goal sheet
- Spending wish list sheet
- Sheet to keep track of your money coming in and going out (Income and Expenses) and
- Goal Tracking Ledger

Feel free to make copies of these worksheets, or you can download them from **www.moneysavvy.com** from the Cash Cache product page.