



Fostering Financial Literacy for Youth

Workshop Series, Spring 2020

The Fostering Financial Literacy for Youth workshop series is designed to equip afterschool program staff with the knowledge, tools and resources to teach their youth to become financially savvy and in control of their financial futures.

The workshops in the 4-part series include:

Budgeting and Saving, April 13, 2020

Presented by: Willa Mayo and Meghan Becker, Futures and Options

Credit cards, April 23, 2020

Presented by: Ruben Rivera, CFEE

Debts and Loans, April 29, 2020

Presented by: Ruben Rivera, CFEE

FAFSA and College Financial Aid Packages, TBD

Presented by: Michael St. John Turner, HESC

Use of Materials

These materials are a part of the Fostering Financial Literacy for Youth Series provided by the Partnership for After School Education. They serve as reference materials and can support your work with youth around financial literacy.

Fostering Financial Literacy for Youth is funded by Voya.



Fostering Financial Literacy for Youth
Budgeting and Saving
Resource List

1. Agenda
2. Trainers' Agenda
3. PowerPoint
4. Career Profiles Budgeting Activity Instructions and Materials



FUTURES AND OPTIONS

Connecting Urban Youth to Careers

FOSTERING FINANCIAL LITERACY FOR YOUTH

Budgeting and Saving Agenda

- I. Welcome and Introductions
- II. Icebreaker: Gallery Walk
- III. Needs vs. Wants
- IV. Budgeting, Saving, and Bank Accounts
- **Break**
- V. Budgeting Activity with Career Profiles
- VI. Conclusion
 - a. How to Facilitate with Youth
 - b. Reflection
 - c. Evaluations



Financial Literacy Trainers' Agenda

I. Introduction

Time: 5 minutes (:05)

Materials: none

- Welcome students and briefly discuss what we learned in week 2 and how those lessons translated into internships during the past week
- Introduce Financial Literacy
 - Define “financial,” “literacy,” and then “financial literacy”
 - Financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it, and how that person donates it to help others.
 - Ask group, “Why is it important to be financially literate?”

II. Icebreaker: Needs vs. Wants

Time: 10 minutes (:15)

Materials: none

- Facilitators should stand at opposite ends of the room with students in the middle.
- Explain that the room is a spectrum: one end is needs, the other is wants.
- Facilitators alternate saying different items then give students time to go to where they think that item falls on the spectrum.
- After each item, ask each student to explain their thought process.
- End with a group definition of what a “need” is and what a “want” is.

III. Activity: Presentation

Time: 50 minutes (1:05)

Materials: Presentation

- Introduce the presentation as a crash course in financial literacy with the most basic, relevant information to high school students in three main categories: banking, credit, and paychecks.
- Pause to give students time to answer questions after each section.

IV. Break

Time: 5 minutes (1:10)

Materials: food and drink

- Set up room for personal budgeting activity (hang up posters, distribute profiles and budget sheets face down).

V. Activity: Personal Budgeting

Time: 40 minutes (1:50)

Materials: Personal Budgeting posters, budget sheets, and career profiles

- Distribute budget sheets to students.
- Explain the activity:
 - Everyone will receive an identity that includes your age, education level, family members, and salary.

- Your job: fill out the budget sheet by making choices about what to choose in the categories posted around the room.
- **You must not go over your budget.**
- Debrief:
 - Solicit a couple of students with different identities to share their decision making processes. Ask probing questions about the decisions they made, making sure they describe not just their choices but the reasons behind their choices.
 - Ask more general questions:
 - Which identities had the easiest time? – most money
 - Why did those identities make the most money – education
 - End with a reminder that everyone's parents make these decisions all the time.

VI. Conclusion

Time: 10 minutes (2:00)

Materials: Resource sheets, evaluations

- Direct students to review the resource sheet at the end of their packets for more information.
- Call on one student to summarize takeaways from the Powerpoint.
- Call on one student to summarize takeaways from the budgeting activity.
- Announce time/date of next workshop: _____
- Evaluations



FUTURES AND **OPTIONS**

The Future is in Your Hands

Budgeting and Saving

Fostering Financial Literacy for Youth



**Why should I open a
bank account?**

Benefits of Bank Accounts

1. Banks keep your money **SAFE**
 - *Keeping your money under your mattress? It's susceptible to damage and theft!*
2. They are **CONVENIENT**
 - *ATM and debit cards can be used for all types of purchases*
3. They offer **SECURITY**
 - *You are insured up to \$250K on every bank account!*
4. They help you save for your **FINANCIAL FUTURE**
 - *Having a bank account encourages saving, and is cheaper than a check cashing service!*

RISK TAKER →



"Honey, I'm making a deposit into our retirement savings."

Banks vs. Check Cashing Services

- ▶ **Check Cashing Services:**
 - 1 Month: $2 \times \$5 = \10
 - 1 Year: $12 \times \$10 = \120

\$120

**Amount you save by opening
a bank account!**

Banking Terms 101

- ▶ **DEPOSIT**: Put \$\$\$ into your bank account
 - ▶ **WITHDRAWAL**: Take \$\$\$ out of your account
 - ▶ **BALANCE**: The amount you have in your account
 - ▶ **FEES**: Money charged by the bank for different services
 - ▶ **INTEREST**: A fee for borrowing money
 - ▶ **OVERDRAFT PROGRAMS**: Options in the event you spend more money than you have in your account.
- 

Checking vs. Savings

▶ **Checking Accounts**

- Allows you to pay bills and buy goods using checks or an ATM/Debit Card.
- You receive a monthly bank statement.
- Different accounts have different rules. Do your research!

▶ **Savings Accounts**

- Encourages you to save.
- You cannot write checks.
- You can earn interest and the account will grow.



https://www.youtube.com/watch?v=or-_aXJQbyg



20% of Graduating High School Seniors Have Never Opened a Bank Account

**How do I choose
a bank?**



Selecting a Bank

- Choose a bank with services that are important to you including **savings accounts, online banking, and debit cards.**
- Choose a bank with many **convenient** ATM locations so as to avoid withdrawal fees.
- Ask if there are **minimum balances or monthly fees.** Many banks offer student accounts that waive these requirements.
- Ask about their policy for **overdrafts.**



Bank Account Checklist

▶ YOU WILL NEED:

- ✓ State-issued identification (ex: driver's license, passport, etc.)
- ✓ Parent (if you are under the age of 18)
- ✓ Enough money for an opening deposit (usually around \$50)



"I take it you've never had a bank account before?"

How can I start saving money?



Benefits of Creating a Personal Budget

- ▶ Track where your money is going
- ▶ Determine your monthly income and expenses
- ▶ Set spending and saving GOALS
- ▶ Live within your means
- ▶ Can help you find ways to INCREASE INCOME and DECREASE SPENDING



Step 1: Keep Track of Daily Spending

▶ Start a personal spending diary. Write down **everything** you spend money on over the course of **ONE MONTH**. You can do this in a few different ways:

- Keep a small notebook with you at all times and write down what you spend money on
- Use programs such as Microsoft Word or Excel
- Use online programs such as mint.com that automatically track and categorize your spending.
- Use your phone, either specialized apps or the Notes app

DID YOU KNOW?
It's impossible to create a budget until you know how much you spend!

Track Your Spending!

Take one minute and write down EVERYTHING you spent money on yesterday.



Spending Tracking Example:

DATE:	AMOUNT:	FOR:
9/25/14	\$20	Dinner
9/26/14	\$15	Movies
9/28/14	\$70	Sneakers
9/30/14	\$25	iTunes Downloads
10/1/14	\$3	Gum and Pens

Step 2: Categorize your Expenses

- ▶ **Once you've tracked your monthly expenses, categorize them.** Some categories might include: Food, Phone Bill, Clothes, School Supplies, Transportation, Entertainment, etc.



This enables you to see **EXACTLY** how you're spending your money, which is valuable as you start setting budgeting and saving goals!

Categorize Your Own Expenses

- **Take a look at your expenses from yesterday.**
- **Identify “categories” of spending (i.e. food, entertainment, travel, etc.)**
- **List expenses under each category.**



Categorizing Example:

CATEGORY	AMOUNT SPENT
Transportation	\$112
Clothes	\$150
Phone Bill	\$75
Entertainment	\$100
Restaurants/Food	\$45
TOTAL:	\$482

Step 3: Analyze Spending/Income

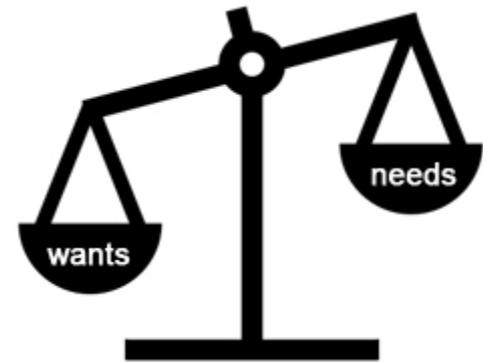
- ▶ Determine your monthly income from jobs, allowances, etc.
- ▶ In order to live within your means, you need to earn more than you spend.
- ▶ Ideally you will want some money left over at the end of every month so you can start saving for college and beyond.



How can you live within your means?

- Determine your **needs vs. wants**.
- **Are there ways you can decrease spending?**
- **Are there ways you can increase income?**

If you cannot live within your means even taking your “wants” out of your budget, you will need to increase your income.



Analyze Your Spending!

Identify your “needs” and “wants.” Are you living within your means? If not, are there any expenses you could eliminate?



Analyzing Expenses/Income:

INCOME AMOUNT	INCOME SOURCE
\$200	Babysitting
\$50	Allowance
\$150	Odd Jobs

TOTAL INCOME: \$400
TOTAL EXPENSES: \$428

\$28 DEFICIT

Warning: Living outside your means will lead you into debt. Once you get into debt, it's very difficult to get out. Prevent the cycle before it begins!



Needs vs. Wants

CATEGORY	AMOUNT SPENT
Transportation	\$112
Clothing	\$100; \$50
Phone Bill	\$75
Entertainment	\$100
Eating Out	\$45
TOTAL:	\$482

Needs = Red

Wants = Green

TOTAL NEEDS: \$237

TOTAL WANTS: \$245

*If you decrease your spending to \$237/Month, and you continue making an income of \$400/month, you can save a total of \$163/
Month!*

Continue to Track Spending & Review Your Budget



- ▶ **Continue to track your expenses and make sure you're meeting your spending and savings goals.**
- ▶ **If something significant changes in your life, like you begin a new job or start college, you'll need to start this process from the beginning factoring in your new income and expenses.**

**Why is it important
to save money?
What are some
things you are
saving for?**



Setting Financial Goals

- ▶ How much money do you want to accumulate over a period of time?
- ▶ What you will do to save toward your goals.
- ▶ Be realistic, but aim to save at least some money each month, *even if it's just \$10!*
- ▶ **Pay Yourself First.** Put some money in savings before you buy things or pay bills.



Any Que\$tion\$?

**“A penny saved is a penny earned.”
-Benjamin Franklin**



Career Profiles Budgeting Activity

Description: Each participant will be assigned a Career Profile, including occupation, monthly income, marital status, and number of children. Using this information, participants will view their options for housing, food, childcare, transportation, clothing, utilities, and entertainment, and select one choice from each category. Participants will complete the Monthly Budget sheet to determine if they stayed within their budget and then discuss this experience.

Instructions:

- Facilitators read through posters and explain choices to the participants (for example, the difference between a regular apartment and a luxury apartment, the difference between each childcare option, etc.)
- Facilitators pass out one Career Profile sheet and one Monthly Budget sheet to each participant.
- Facilitators explain to participants that they must make a selection from each poster that allows them to stay within their monthly budget.
- Participants complete their Monthly Budget sheet, making a selection from each poster.
- Participants add up their monthly expenses and determine if they stayed within their budget.
- Participants talk in small groups about what choices they made and their individual outcomes.
- Facilitators lead a discussion about what participants noticed in this activity and how they made their decisions.

HOUSING

Studio

- \$1100
- \$1700 (Luxury)

1-Bedroom

- \$1400
- \$2400 (Luxury)

2-Bedroom

- \$2200
- \$3700 (Luxury)

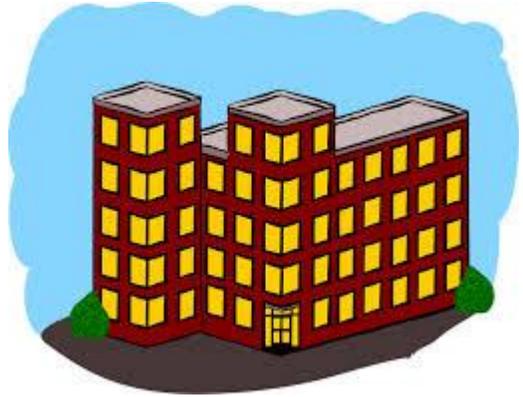
3-Bedroom

- \$3200
- \$5200 (Luxury)

You must choose **one** option.

Factors to consider:

- Family size (e.g. you probably don't want a family of 5 living in a studio)
- Importance of amenities being convenient



What does Luxury mean?

- In-building gym
- In-building laundry
- Doorman
- Access to common area(s) such as a lounge, game room, rooftop, etc.
- Likely a newer, cleaner building
- Private parking

ENTERTAINMENT

Movies:

- \$20 per person, per screening
- \$10 per month for Netflix

Concerts: \$50 per person, per concert

Sporting Events: \$25 per person, per game

Traveling: \$100 per person, per trip

Nightlife: \$50 per person, per night

Music: \$10 Spotify subscription, per month

Hobbies:

Fun Activities:

You may choose **any number** of options, or none at all.

Factors to consider:

- These are all “wants” compared to the other categories you are considering.



FOOD AND TOILETRIES

Groceries (food, drinks, toiletries)

- \$250 per person, including children
- \$400 per person, including children (organic)

Restaurants:

- Fast food (e.g. McDonald's): \$10 per person, per meal
- Fast casual (e.g. Chipotle): \$15 per person, per meal
- Fancy (e.g. Capital Grille): \$75 per person, per meal

You must choose **one** option.

Factors to consider:

- How many times a month would you like to go out to eat?
- You should also consider nutritional value of the food you're buying.



CHILDREN

0-5 years old

Childcare

- Babysitter: \$500
- Pre-school: \$1000
- Live-in nanny: \$3000

Supplies

- Mandatory \$100 per child

6-12 years old

Babysitter

- Mandatory \$250 per child

13-17 years old

High School

- Public high school: free
- Private high school: \$1500 per child

18-21 years old

College tuition and fees

- Public college: \$1500 per child
- Private college: \$5000 per child

You must budget **\$100 per child** for general expenses. Other options differ based on the age of your children.

Factors to consider:

-

CLOTHING

You must choose **one option** for **each member of your family**. You may choose different options for each person.

Designer boutique: \$250 per person

Discount store: \$100 per person

Thrift store: \$25 per person



TRANSPORTATION

You must choose **one option for each member of your family**. You may choose different options for each person.

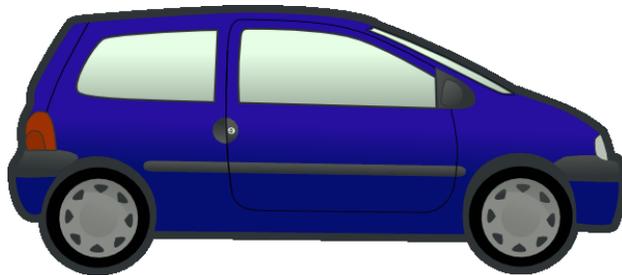
Unlimited Metrocard: \$120 per person

Car (includes payment, gas, insurance):

Compact: \$800

Full-size: \$1100

Luxury car: \$1500



UTILITIES

Basic plan: \$150

- Gas and electricity
- Cell phone

Premium plan: \$250

- Gas and electricity
- Cell phone
- Cable and internet

Deluxe plan: \$350

- Gas and electricity
- Cell phone
- Cable and internet
- Air conditioning (higher electric bill)

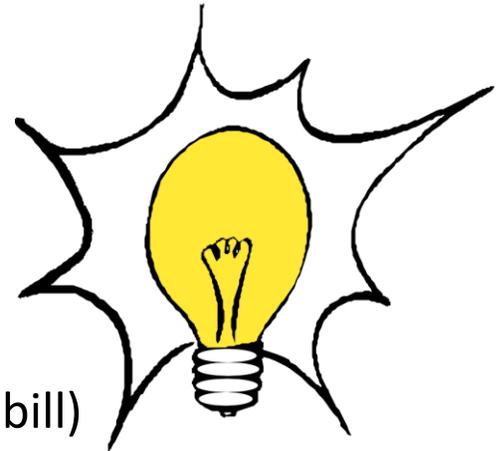
Optional:

- Smartphone internet access: \$50 per person

You must choose **one** option. You must also budget **\$50** per bedroom beyond a studio (\$50 for a 1 bedroom, \$100 for a 2 bedroom, etc.).

Factors to consider:

- Which members of your household do you want to have smartphones?





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Single

Children: 2 kids – 1 year old and 11 year old

Occupation: Lawyer

Annual Salary: \$100,000

Monthly Income After Taxes: \$6,435





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

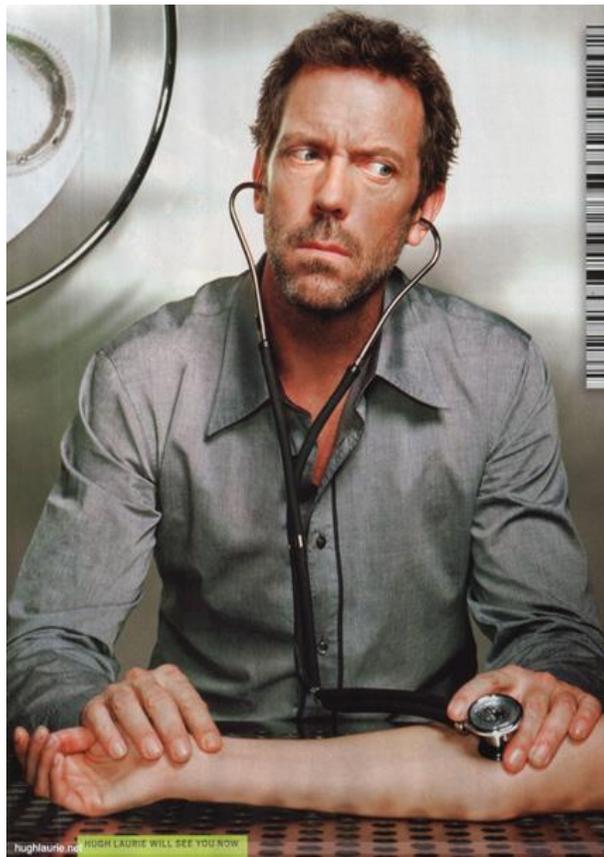
Marital Status: Single

Children: 0 kids

Occupation: Doctor

Annual Salary: \$150,000

Monthly Income After Taxes: \$9,750





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Married

Children: 3 kids – 8 year old, 18 year old, 20 year old

Occupation: Dentist

Combined Annual Salary: \$300,000

Combined Monthly Income After Taxes:
\$19,500





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Single

Children: 1 kid – 18 year old

Occupation: Human Resource Director

Annual Salary: \$70,000

Monthly Income After Taxes: \$4,524





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Single

Children: 0 kids

Occupation: Teacher

Annual Salary: \$55,000

Monthly Income After Taxes: \$3,510





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Married

Children: 1 kid – 16 years old

Occupation: Sports Journalist

Combined Annual Salary: \$90,000

Combined Monthly Income After Taxes:

\$5,850





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Single

Children: 1 kid – 8 months old

Occupation: Assistant

Annual Salary: \$45,000

Monthly Income After Taxes: \$2,925





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Single

Children: 0 kids

Occupation: Cashier

Annual Salary: \$20,000

Monthly Income After Taxes: \$1,638





FUTURES AND OPTIONS

Connecting Urban Youth to Careers

Career Profile

Marital Status: Married

Children: 1 kid – 19 years old

Occupation: MTA Worker

Combined Annual Salary: \$60,000

Combined Monthly Income After Taxes:

\$3,900





PROMOTION!!

You may add \$750 to your monthly salary. Congratulations and keep up the good work!



BONUS!!

You were awarded a one-time \$1,500 bonus. Spend it wisely!



NATURAL DISASTER

You owe \$2,000 to replace your belongings that were lost.
Tough luck!



FAMILY ILLNESS

A family member has become ill and you owe \$500 a month for hospital bills.

Name _____

Monthly Budget Sheet

Food

Groceries for 1	Groceries for 2	Groceries for 3	Groceries for 4	Restaurants (per person)	Total Food
\$	\$	\$	\$	\$	\$

Housing

Studio	1 Bedroom	2 Bedroom	3 Bedroom	Total Housing
\$	\$	\$	\$	\$

Clothing

Clothing (per person)	Total Clothing
\$	\$

Transportation

Metrocard (per person)	Compact Car	Minivan	SUV	Total Transportation
\$	\$	\$	\$	\$

Utilities

Basic Plan	Premium Plan	Deluxe Plan	Extra Rooms	Internet on Cell (per person)	Total Utilities
\$	\$	\$	\$	\$	\$

Entertainment

Movies	Concerts	Sporting Events	Traveling	Nightlife	Music	Hobbies	Fun Activities	Total Entertainment
\$	\$	\$	\$	\$	\$	\$	\$	\$

Childcare

Mandatory (per kid)	Optional (per kid)	Total Childcare
\$	\$	\$

Total Budgeting

Food: \$ _____

Housing: \$ _____

Transportation: \$ _____

Utilities: \$ _____

Entertainment: \$ _____

Clothing: \$ _____

Insurance \$ _____
(\$100 per person)

Childcare: \$ _____

Total Spent: \$ _____

Monthly Income: \$ _____
After Taxes

Monthly Income
- (minus) Total Spent =

Savings or Debt \$ _____