



# Unlocking Success

Personal Finance

## Classroom Companion

for High School Teachers

### Section 5

# BUDGET BUILDING

Financial Advising



Pick and choose pages of this workbook that work in your classroom.

Activities, resources, tip sheets, and self-reflection pages are built to complement your curriculum and engage your students in different ways. For the answer key, visit [vacu.org/unlockingkey](https://vacu.org/unlockingkey).

## Interview with a Professional

*Meet with someone in financial advising, and learn more about this area of work.*



Name: \_\_\_\_\_

Department: \_\_\_\_\_ Job Title: \_\_\_\_\_

What are your main job responsibilities?

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What are your qualifications and background?

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What do you enjoy most about your job?

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Why did you choose to work in finance?

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What are your hobbies?

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What advice do you have for us as young adults?

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**Job Specific Question:** What are some of the challenges you face in your profession?

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**My Question:** \_\_\_\_\_

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## SMART Goals

*Take actionable steps toward every win and milestone by making an action plan.*

Research what SMART stands for, and write it in the space provided.

S- \_\_\_\_\_

M- \_\_\_\_\_

A- \_\_\_\_\_

R- \_\_\_\_\_

T- \_\_\_\_\_

Create a short term SMART financial goal, and follow up with your progress below.

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### CONSIDERATIONS

### TARGET | ACTUAL

When do you want to achieve this goal? (number of months)

How much money do you need to make this financial goal happen?

How much do you need to save each month to make this goal happen on time?


## Cash Flow

The Equation:

$$\text{Income} - \text{Expenses} = \text{Cash Flow}$$

Sources of Income

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Match each of the following expenses to the category where it belongs.**

Unexpected doctor's appointment

TV streaming subscriptions

Rent

Food

Car maintenance

Gas

Car payment

Property taxes

Holiday gifts

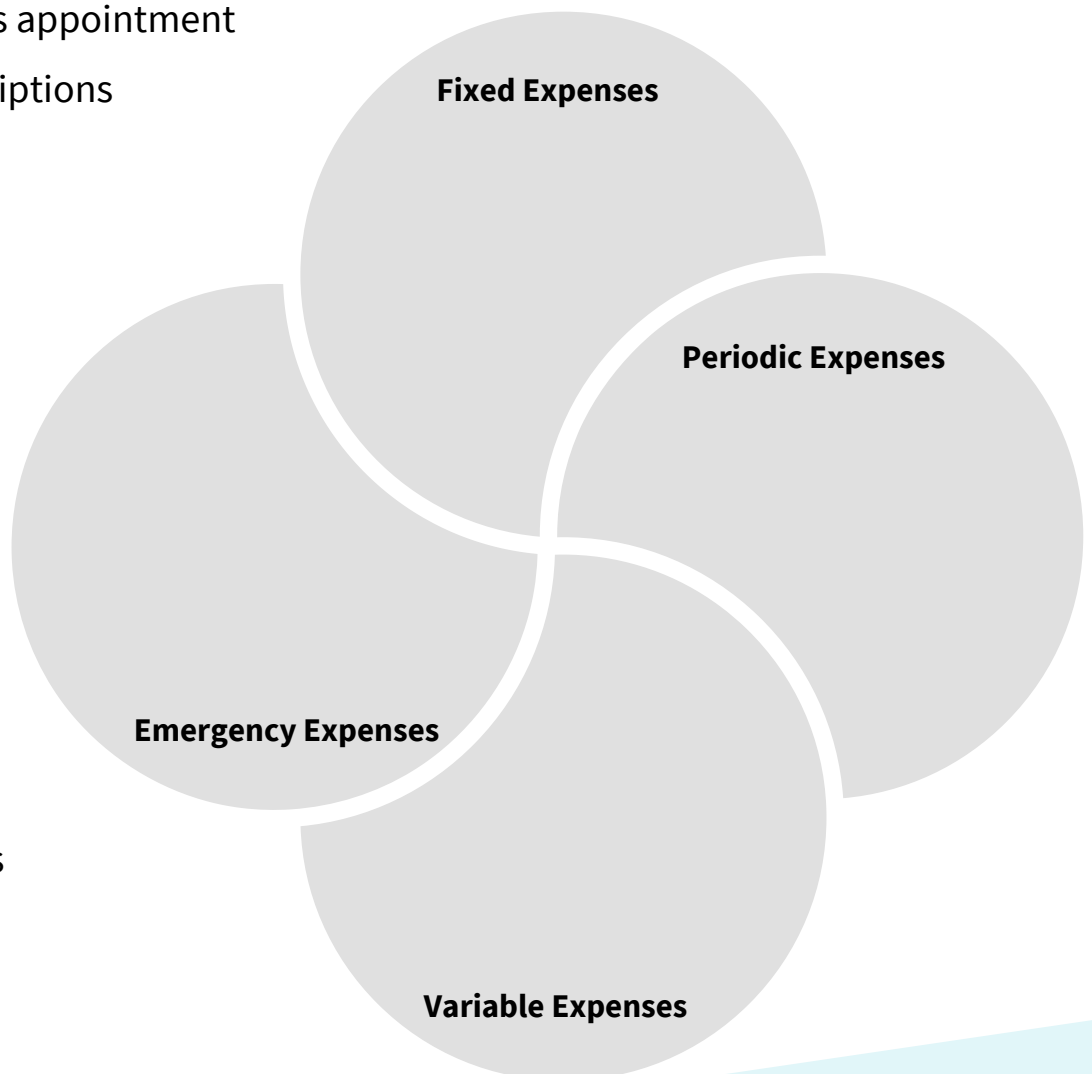
Cell phone

Vacation

Water

Insurance premiums

Car inspections



## Expenses Log

*Track your expenses for a fixed period of time to take control of your day-to-day budgeting.*

DATE	CATEGORY	DESCRIPTION	METHODS	AMOUNT

## 50/30/20 Budgeting Model

Scan the QR, or click to watch [this video](#). Fill in the guided notes below, then create your own 50/30/20 rule for a career of your choice.



WATCH  
RESOURCE

50% of your take home pay goes toward \_\_\_\_\_,  
30% toward your \_\_\_\_\_  
20% toward paying down \_\_\_\_\_ and building your \_\_\_\_\_.

Needs are anything you have to have to \_\_\_\_\_.

Examples:

Wants are things you'll buy but are \_\_\_\_\_.

Examples:

For saving and paying down debt, you should look at \_\_\_\_\_ percent going towards debt and \_\_\_\_\_ percent going towards savings.

A tip for saving is to picture this 10% as a \_\_\_\_\_ you pay yourself each month.

### Let's run the numbers

Take five minutes to research and pick a job you'd be interested in pursuing at [bls.gov/ooh/](https://bls.gov/ooh/).

Job Title: \_\_\_\_\_ Average Job Salary: \_\_\_\_\_

Job Description: \_\_\_\_\_

Based on the salary above and using the 50/30/20 rule, how much should you budget for needs, wants, and savings and debt?

Needs:

Wants:

Savings and Debt:

## Danielle's Budget

***Use one of the attached budget sheets to set up and maintain Danielle's budget. Then, use the other sheet to rework Danielle's budget into one that fits your personal lifestyle.***

### Planned Budget Income and Expenses

Danielle works part-time at a greeting card company and part-time at a record store. The net monthly income from her first job is \$1,130. The net monthly income from her second job is \$1,460.

#### Her planned fixed monthly expenses include:

- \$600 for rent (she shares an apartment with two friends)
- \$240 for a car payment
- \$220 for car insurance

#### Her planned variable monthly expenses include:

- \$100 (to save for going to trade school)
- \$250 for food
- \$100 for gas and oil
- \$50 for clothes
- \$100 for entertainment
- \$40 for personal items

### Actual Income and Expenses

#### What she earned:

Danielle earned \$45 in overtime pay this month in addition to expected pay

#### What she spent on fixed expenses:

Rent went up to \$650, starting this month

Her monthly car payment was \$240

Her monthly car insurance premium, as of this month, went up to \$295

#### What her variable expenses actually were:

- \$300 for food
- \$120 for gas and oil (her car needed an oil change)
- \$34 for parking and tolls
- \$260 for emergency repairs
- \$100 for a new pair of running shoes
- \$120 for entertainment
- \$60 for personal items
- \$36 for a birthday present for her mother

#### Her unexpected expenses:

Danielle got two speeding tickets in one week. The total cost of both tickets was \$400!

## Evaluating Danielle's Budget

### Part 1: How does her budget look now?

1. What is the difference between Danielle's budgeted expenses and her actual expenses?
2. In what areas did she overspend?
3. In what areas did she spend less than she planned?
4. How much did she spend for the use of her car this month?
5. How much money did she have at the end of the month to put into savings?

### Part 2: If it were your budget...

1. Using the attached budget sheet, set up a budget for yourself. Use Danielle's income as a starting point. Keep in mind your personal financial goals.
2. What did you change about the budget?
3. How much would you save each month to put toward your personal and financial goals?



## Breaking Down Danielle's Budget

<b>Income</b>	<b>budget</b>	<b>actual</b>	<b>difference</b>
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
<b>Total Monthly Income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>	<b>budget</b>	<b>actual</b>	<b>difference</b>
<b>Fixed Expenses</b>			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Retirement/Saving	\$	\$	\$
<b>Variable Expenses</b>			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$
<b>Transportation</b>			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$
<b>Other</b>			
Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition/school expenses	\$	\$	\$
<b>Other</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Monthly Expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## Help Danielle Rework the Budget!

**Directions: Now write out how you would adjust Danielle's budget!**

<b>Income</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Other	\$	\$	\$
<b>Total Monthly Income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
<b>Fixed Expenses</b>			
Rent	\$	\$	\$
Car insurance	\$	\$	\$
Car payment	\$	\$	\$
Retirement/Savings	\$	\$	\$
<b>Variable expenses</b>			
Savings	\$	\$	\$
Food	\$	\$	\$
Utilities	\$	\$	\$
<b>Transportation</b>			
Bus fare	\$	\$	\$
Gas and oil	\$	\$	\$
Parking and tolls	\$	\$	\$
Repairs	\$	\$	\$
<b>Other</b>			
Medical expenses	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Household items	\$	\$	\$
Personal items	\$	\$	\$
Tuition/school expenses	\$	\$	\$
<b>Other</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Monthly Expenses</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

## Budgeting Knowledge Check

### 1) What is a budget?

- a. A car rental company
- b. A spending and savings plan
- c. A specific bank account
- d. None of the above

### 2) What is the best way to track your spending?

- a. Write it down
- b. Keep all your receipts
- c. Use computer software or an online tool
- d. All of the above are effective

### 3) What is the one rule to budgeting?

- a. Expenses must be greater than income
- b. Income and expenses must be equal
- c. Income must be greater than OR equal to expenses
- d. What's a budget?

### 4) How do you improve your financial situation?

- a. Increase your income
- b. Buy a lot of lottery tickets
- c. Decrease your spending
- d. Both A and C

### 5) What is an example of discretionary expense?

- a. My mortgage payment
- b. Clothing for my children
- c. A double shot, soy, no whip white mocha latte
- d. My monthly prescription

## The Value of Money Survey

**Read the following statements, and circle or highlight to show to what extent you agree.**

**Money can buy happiness.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Social media has a negative impact on my financial decisions.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**As a teenager, I don't really need to worry about money.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**I feel loved when people buy me things.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**I hate thinking about or talking about money.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Changing how I spend is easy as long as I'm disciplined and have a plan.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Anyone can be a millionaire if they work hard.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**I feel confident making decisions with my money.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Money distracts from the things that really matter in life.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**With enough money you can do whatever you want.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**I'd do anything to help my family, even if it meant taking on more financial strain for myself.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**I'd rather save money than spend it.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Sometimes I buy things just to impress other people.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

**Having money gives you power and freedom.**

Completely Agree    Somewhat Agree    Somewhat Disagree    Completely Disagree

Which of the previous statements was the hardest for you to answer and why?

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## Me and Money: “The Love Story”

***For this informal writing assignment, you are going to discuss how money has affected your life. You should consider how it has impacted you as an individual and how it will impact you in the future. Please only go into as much detail as you feel comfortable, and use this assignment to reflect.***

Considerations:

### How has money affected your life?

- What have you learned about money from your household/family?
- Who in your household/family has had the biggest financial influence on you?
- What have you learned about money from people outside of your home? Tell me about it.
- Who within or outside of your friend group has had the biggest influence on you financially?

### How have your financial experiences impacted you and influenced who you are today?

- How have your relationships impacted how you behave financially?
- Do you and your friends currently work to try and save money? If so, how?
- Is there a time in the last month that money has had an impact on you? Tell me about it.

### How do you hope to behave financially in the future?

- How have your relationships impacted how you plan to behave financially?
- Do you feel that you will carry on these learned financial behaviors when you have a family?
- Do you feel that handling your finances in the future will be easy?

### Rubric

Task	___ Points	___ Points	___ Points
<b>Structure</b>	Fully meets one typed, double-spaced page at 12-point Times New Roman font.	Generally meets one typed, double-spaced page at 12-point Times New Roman font.	Attempts to meet one typed, double-spaced page at 12-point Times New Roman font.
<b>Focus</b>	Fully addresses the prompt.	Generally addresses the prompt.	Attempts to address the prompt but lacks clarity.
<b>Content</b>	Clearly relays thought with supporting details.	Some ideas and details are supported.	Ideas and thought not supported by text.
<b>Conventions</b>	Few or no errors in grammar, spelling, capitalization, and punctuation.	Some errors in grammar, spelling, capitalization, and punctuation.	Has difficulty in grammar, spelling, capitalization, and punctuation.

## Creating a Budget

READ  
RESOURCE

Scan the QR code, or [click here](#) to read an article about creating a budget. Answer the below questions.

A budget is simply a plan for what you want to do with your money. By sticking to it, you will have the money for the things that are important to you, whether it be setting up an emergency fund or taking a nice vacation once a year. Though everybody's budget is different, there is one consistent rule of budgeting: Expenses should never exceed income.

### 4 Steps to Creating a Budget:

1. List and total your monthly net income: List your household net income from all sources. If you receive seasonal or periodic income, calculate what you receive per year and divide by 12. If you are uncertain about any figures, be conservative with your estimate. It's better to have money left over than be caught without enough to pay your bills.
2. List and total your current monthly expenses: Remember to list debt payments and savings contributions. Also, don't forget about expenses that come up once in a while (called periodic expenses), such as gifts, trips, and vehicle maintenance costs. To calculate what you spend per month, total what you spend per year divided by 12 (months). Even though you may only have many of these expenses once or twice a year, you can set aside money every month so that they are easier to pay when they do occur.
3. Subtract your total current expenses from your total current income: If on paper you have money left over, but in reality you are living close to the edge or falling behind, then you have not accounted for everything or some of your figures are wrong. Take some time to examine your budget for inaccuracies and make corrections. You may want to track your expenses for another month or two and see what other miscellaneous expenses are not accounted for in your budget.
4. Identify where you want to make changes in your budget: If you're spending more than you're earning, you will need to make changes. Are there any ways you can increase your income (e.g., get a part-time job, rent out a room in your house, or work overtime)? Are there any expenses that can be reduced, postponed, or eliminated? Be honest about what is a necessity and what isn't. Eating out for lunch everyday or having cable television is nice, but you don't need them to live.

Even if you're currently spending less than you're earning, if you are not saving as much as you want to, it's a good idea to consider what ways you can increase your income or reduce your expenses to free up some extra cash. You may also want to make changes if you have credit card debt or unsecured personal loans so that you can increase your payments. The higher your monthly payments, the less interest you have to pay and the sooner you will be debt-free.



**Use our interactive budgeting worksheet to help you get started with creating your budget.**

## Creating a Budget Article Q&A



READ  
RESOURCE

Scan the QR code, or [click here](#) to read an article about creating a budget. Answer the below questions.

What is a budget? Who uses a budget and why?

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List and describe the four steps to creating a budget:

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_

To balance a budget you can either ...

Increase \_\_\_\_\_

Decrease \_\_\_\_\_

Create a budget using [our interactive budgeting worksheet](#) linked here.