

Making A Budget



Facilitator Guide

Making a Budget Facilitator Guide

Training Description

Financial skills are important for young people as they transition to adulthood and understand how to manage money. Up to this point, young people have had family members make many decisions for them and have had limited opportunity to take care of their own money. This training has information to learn about balancing income and expenses within a budget. Creating a budget allows young people to check if there is enough money to pay bills and save money.

Audience

Young people transitioning into adulthood.

Time

30 minutes

Materials

To facilitate this training, you will need:

- PowerPoint presentation
- Facilitator Guide
- Computer
- Projector (if in person)
- Audio
- EZ-Reader
- Worksheets (see appendix)
- Chart paper
- Sticky notes
- Markers, highlighters, pens and pencils

Learning Objectives

The participants will:

1. Identify the different types of expenses included in a budget
2. Identify the steps in developing a budget
3. Modify a budget to reflect changes in expenses

Making a Budget Facilitator Guide

Facilitator Notes

This training is scripted with additional ways you can engage participants. Please review this Facilitator Guide and the notes section of the PowerPoint before you begin the training. This training can be presented by a trainer or co-trainers. There will be opportunities for a co-trainer or person with lived experience to share their experiences throughout the training.

Vocabulary for the facilitator:

- **Read Slide**—read word for word from the slide
- **SAY**—read the script provided (sentences are not on the slide—available for extra ways to discuss the slide)
- **ASK**—read the scripted question (additional ways to engage the participants added if no response)
- Person with lived experience—self-advocate or family member

Key Terms

Budget—a plan for spending and saving money.

Expenses—the money you spend to get something or do something.

Fixed expenses—expenses that stay the same.


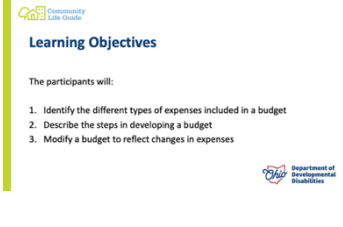
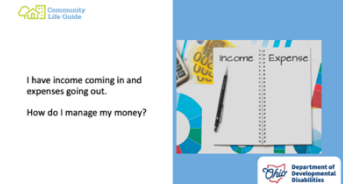
Income—the money received from a type of job.

Needs—things you must have for living or survival.


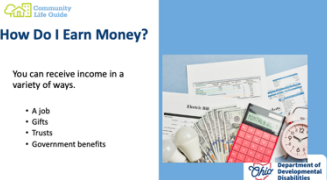


Varied expenses—expenses that change based on how, when and what you buy.

Wants—things that can make your life better or more enjoyable.


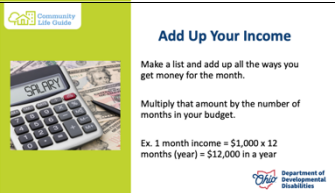
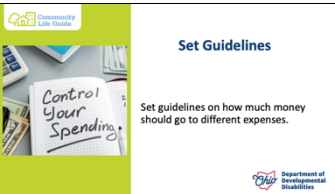
Making a Budget Facilitator Guide

Discussion Points and Learning Activity	Materials/Slide	Co-Trainer or Person with Lived Experience
Section 1 – Introduction 1 minute		
<p>SAY: Financial skills are important for young people as they transition to adulthood and understand how to manage money. Up to this point, young people have had family members make many decisions for them and have had limited opportunity to take care of their own money. This training has information to learn about balancing income and expenses within a budget. Creating a budget allows young people to check if there is enough money to pay bills and save money.</p> <p>SAY: We will refer to the EZ-Reader <i>Making a Budget</i> throughout the training. A learning activity will be at the end of the training. Please ask questions as we go through.</p>		
<p>SAY: Creating and sticking to a budget. What does that mean? In this training you will discuss. . .</p> <ol style="list-style-type: none"> 1. The different types of expenses included in a budget 2. The steps in developing a budget 3. How to modify your budget to reflect changes in expenses 		
Section 2 – How to Manage Money 2 minutes		
<p>SAY: You have learned about income and expenses. Now let's talk about how to manage your money. Creating a budget helps you pay your bills on time, be prepared for emergencies and reach your financial goals.</p>		



Making a Budget Facilitator Guide

Discussion Points and Learning Activity	Materials/Slide	Co-Trainer or Person with Lived Experience
<p>SAY: A budget is a way to balance the money coming in and the money going out.</p>		
<p>SAY: To make a budget, you need to know how much money you are earning. You need to make sure you have enough money to pay your bills and other expenses. You want more money coming in than going out.</p> <p>Facilitator Notes: Review the earlier trainings on income and expenses if this is the same group of participants.</p> <ul style="list-style-type: none"> • Training 1—Income is money you receive when working, as a gift or a benefit. • Training 2—Expenses are things you pay for. 		
<p>SAY: Now that you have identified how much money you earn (or your income), you need to review what you spend (or the types of expenses).</p> <p>Read Slide</p>		
<p>SAY: A budget can help you make decisions about money. It can help you save money for the future or for emergencies. A budget can help you decide what you can and cannot afford. A budget can show you what expenses you must pay and what money you have left.</p>		




Making a Budget Facilitator Guide

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Section 3 - Getting Started 5-6 minutes		
<p>Read Slide</p>	 <p>How to Get Started</p> <p>Decide the amount of time you want to budget.</p> <ul style="list-style-type: none"> • One month • Six months • A year <p><small>Department of Developmental Disabilities</small></p>	
<p>Read Slide</p> <p>SAY: After you make a list of all your income, you will multiply that by how many months in your budget. The example shows total income of \$1,000 a month, multiplied by 12 months to get a total of \$12,000 in a year to budget.</p> <p>SAY: Or you can create a budget for 1 month and know that you have \$1,000 to budget.</p>	 <p>Add Up Your Income</p> <p>Make a list and add up all the ways you get money for the month.</p> <p>Multiply that amount by the number of months in your budget.</p> <p>Ex. 1 month income = \$1,000 x 12 months (year) = \$12,000 in a year</p> <p><small>Department of Developmental Disabilities</small></p>	
<p>Read Slide</p> <p>SAY: If you choose to spend more money on some expenses, remember to reduce other costs accordingly.</p>	 <p>Set Guidelines</p> <p>Set guidelines on how much money should go to different expenses.</p> <p><small>Department of Developmental Disabilities</small></p>	


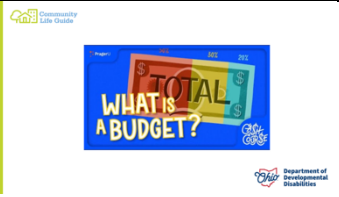
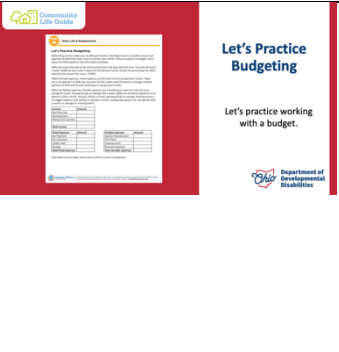
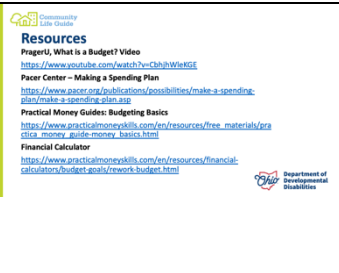
Making a Budget Facilitator Guide

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<p>Facilitator Notes: Remind participants about Training 2, expenses – fixed and varied.</p> <ul style="list-style-type: none"> • Fixed—set expenses (car payment) • Varied—expenses that change (electricity bill) <p>SAY: When listing your expenses or bills, you may want to average the amount of bills that are different. Ex. An average is a guess of what a bill will cost based on what you have paid before.</p>	 <p>Estimate Expenses</p> <p>Make a list of bills that stay the same amount each month (fixed).</p> <ul style="list-style-type: none"> • Rent • Car payment <p>Make a list of bills that are different each month (varied).</p> <ul style="list-style-type: none"> • Water bill • Electricity bill <p><small>Department of Developmental Disabilities</small></p>	
<p>Facilitator Notes:</p> <p>When talking about fixed and varied expenses, discuss needs and wants. A need may be a coat to keep you warm, but a want may be buying a NorthFace coat. A name brand item may not be affordable within your budget.</p> <p>Read Slide</p> <p>ASK: How much money do you spend on food? Personal care items?</p> <p>Facilitator Notes:</p> <p>If time, use chart paper or wipe off board to find the “average” of variable expenses. Ex. Grocery bill has been \$54.00, \$75.00, \$70.00, and \$85.00 for the last month. Add together and divide by 4. $\\$284.00 / 4 = \\71.00</p>	 <p>More Expenses</p> <p>Make a list of how much money you spend on expenses like:</p> <ul style="list-style-type: none"> • Food • Clothing • Personal care items <p>What about extras like:</p> <ul style="list-style-type: none"> • Eating out • Video games <p><small>Department of Developmental Disabilities</small></p>	<p>Share cost of varied expenses if you would like.</p>





Making a Budget Facilitator Guide

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<p>Read Slide</p> <p>SAY: The goal is to have some money left after you subtract your expenses. If you have more expenses than income, you must reduce your expenses.</p> <p>SAY: An example may be to reduce going out to eat and make meals at home. You can also reduce the items that are considered “wants”:</p> <ul style="list-style-type: none"> • Ugg boots • Sports team jersey • Play Station game 	 <p>Balancing Income and Expenses</p> <p>Add up your income Add up your expenses Subtract your expenses from your income. Ex. \$1,000 - \$800 = \$200 left</p> <p><small>Department of Developmental Disabilities</small></p>	
<p>Read Slide</p> <p>SAY: When you have money left at the end of the month, you can decide what to do with it.</p>	 <p>Extra Money</p> <p>You could spend extra money on:</p> <ul style="list-style-type: none"> • going to the movies • eating out <p>You could also put some extra money away or save it.</p> <p>Saving extra money will allow you to buy something you want or need in the future.</p> <p><small>Department of Developmental Disabilities</small></p>	
<p>SAY: After creating your budget, review it monthly. You want to see if your “guesses” on how much you spend are correct. You may be surprised to see what you spend on “unnecessary” expenses.</p> <p>SAY: A financial calculator may help rework your budget.</p> <p>Facilitator Notes: Click on the Financial Calculator website and demonstrate how to quickly adjust your budget. https://www.practicalmoneyskills.com/en/resources/financial-calculators/budget-goals/rework-budget.html</p>	 <p>Check Budget</p> <p>Check your budget each month to see how you are doing.</p> <p>You can adjust your budget as you see how much you are spending.</p> <p><small>Financial Calculator https://www.practicalmoneyskills.com/en/resources/financial-calculators/budget-goals/rework-budget.html</small></p> <p><small>Department of Developmental Disabilities</small></p>	

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<p>Read Slide</p>		
<p>Section 4 – Video/Learning Activity 15-20 minutes</p>		
<p>SAY: Let’s watch this video on budgeting.</p> <p>Facilitator Notes: <i>What Is a Budget? (4:45 length)</i> https://www.youtube.com/watch?v=CbhjhWleKGE</p>		
<p>Facilitator’s Notes: <i>Refer to the worksheet on the slide to complete. Put the participants in groups to complete the worksheet or complete as a whole group. Give the group(s) 10 to 15 minutes to complete and pull them back together to share out.</i></p> <p>SAY: After hearing about making and using a budget, you are going to read through the scenario, complete the budget and determine if Nikko has enough money to cover his expenses.</p>		
<p>SAY: These resources were used to create this training. It is important to understand how to budget your money. Understanding what money you bring in and what money you pay out. This training goes along with the EZ-Reader <i>Making a Budget</i>.</p> <p>Thank you for joining us.</p>		

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Discussion Points and Learning Activity	Materials/Slide	Co-Trainer or Person with Lived Experience
	 <p>Community Life Guide</p> <p>A Project of:</p>  <p>Department of Developmental Disabilities</p> <p>Developed By:</p>   <p>Altarum LifeCourse Nexus</p>	

Making a Budget Facilitator Guide



Daily Life & Employment

Let's Practice Budgeting

Nikko brings home a little over \$1,000 each month. Help Nikko track his monthly income and expenses to determine how much he spends each month. Please complete the Budget charts below for Nikko based on the information provided.

Nikko has a part-time job at the Community Center that pays \$8.50 an hour. He works 20 hours a week. (\$680) He also mows 5 lawns for \$25.00 each month. (\$125) His parents pay him \$50 a week for jobs around the house. (\$200)

Nikko has fixed expenses. Fixed expenses are bills that need to be paid each month. Nikko has a car payment of \$200, Car insurance of \$50, credit cards that have an average monthly payment of \$150 and he puts \$100 away in savings each month.

Nikko has varied expenses. Varied expenses are miscellaneous expenses that can occur during the month. He pays for gas on average \$50 a week. (\$200) His cell phone payment to his parents is \$50 a month. He buys clothes or shoes spending \$100 on average. Entertainment is his biggest expense with eating out, going to movies, buying video games, etc. He spends \$200 a month on average for entertainment.

Income	Amount
Part-time Job	
Mowing lawns	
Money from parents	
Total Income	

Fixed Expenses	Amount
Car Payment	
Car Insurance	
Credit cards	
Savings	
Total Fixed Expenses	

Varied Expenses	Amount
Gas/Car Maintenance	
Cell Phone	
Entertainment	
Personal Expenses	
Total Varied Expenses	

Does Nikko have enough money each month to cover his expenses?

