

Adult Education

April is National Financial Literacy Month, which is designed to create awareness about the importance of personal financial education. Over the next 4 weeks, we will be exploring different financial education topics with specific age-minded activities and links, designed for your use at home.

As an adult, the Spend, Share, Save plan can be such a great learning tool as it is something we will use for the rest of our lives. As our income grows, the dollar amounts change in each category over time, but using a percentage-based budget can be helpful. By the time we reach adulthood, experts say we should be in the habit of regularly saving a portion of our income. It is suggested that financially healthy adults typically spend about 70-75%, save 10-20%, and give the rest to charity. The key is to learn to live within our means no matter how much money we make.

Spending is a mindset that often is set at an early age. Therefore, teaching our children to recognize that spending only a portion of each dollar will serve them well. Saving provides us with a sense of security by having some financial reserves on hand, as well as saving up for a goal can teach us about delayed gratification. Sharing is all about the feels. Lending a hand and doing some good in the world is how we show our compassion in helping others.

As effective as Spend, Share, Save jars are when we are teaching kids about money, once we get into our teen years and beyond it is important to shift to the “set it and forget it” concept. This refers to setting up automatic savings, spending and sharing from your checking account. You can set-up multiple savings accounts, (including one for sharing) and you can have bills paid automatically, all from your checking account. After all, if you need to log into your account and manually choose to invest or save every single month, you’re much more likely to forget than if you have it set up automatically.

Articles:

<https://chiefmomofficer.org/2019/11/13/what-to-do-with-that-allowance-spend-save-share-allowance-week/>

<https://www.thebalance.com/ways-to-live-within-your-means-960044>

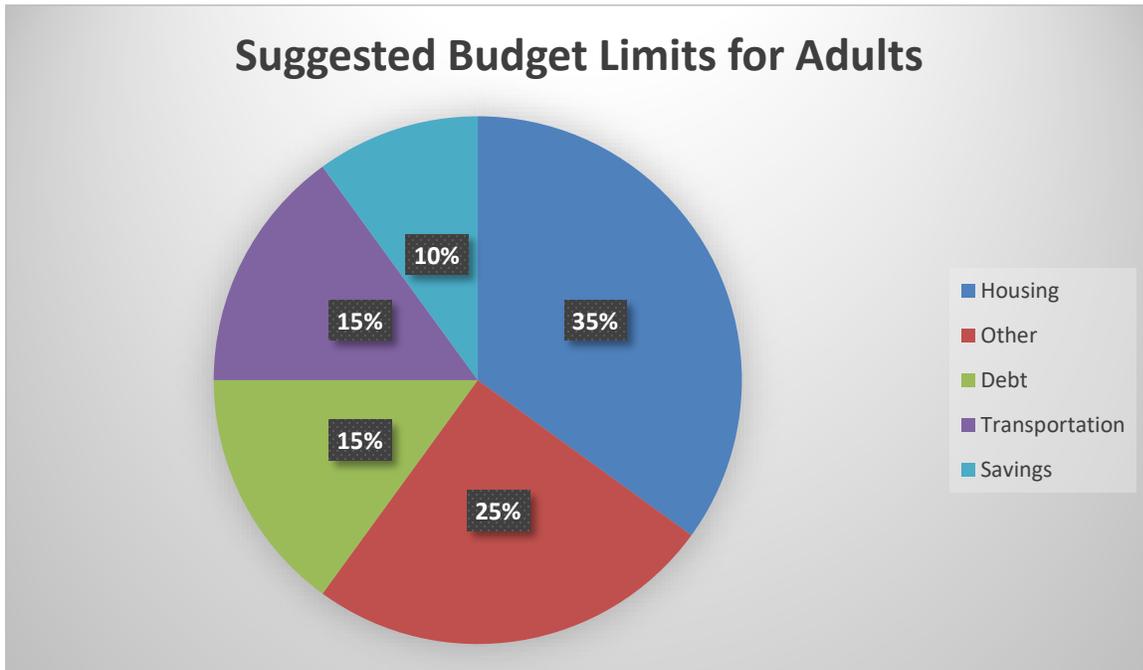
<https://smartasset.com/financial-advisor/fixed-expenses>

Spend, Share, Save Terms

Match the statement with the letter answer

- | | |
|--|--------------------------|
| 1. A spending plan | A. Instant gratification |
| 2. Suggested spending limit | B. 70% |
| 3. Suggested sharing limit | C. Allowance |
| 4. Suggested Saving Limit | D. Wants |
| 5. Saving up for a purchase | E. Delayed gratification |
| 6. An unplanned purchase | F. Opportunity cost |
| 7. Pay Yourself First | G. Sharing |
| 8. Something you may give your child | H. Budget |
| 9. To choose one thing over another | I. Long-term goal |
| 10. Usually planned at least several years away | J. Values |
| 11. Something you want to accomplish soon | K. Impulse buy |
| 12. These determine your priorities | L. Short-term goal |
| 13. Buying something when you want it, not waiting | M. 10% |
| 14. Teaches us about compromise & fairness | N. 20% |
| 15. Expenses that help you live more comfortably | O. PYF |

Budget Limits Exercise



Categories:

Housing- Mortgage payments, property taxes, rent, homeowner insurance, household utilities

Other- Food, entertainment, vacations, clothing, personal care, charity

Debt- Student loans, credit card debt, medical debts

Transportation- Car payments, public transportation, parking fee's, license tabs, car insurance

Savings- All savings

Using this budgeting model, how does your budget compare? Take your monthly net income (after taxes) and divide by the suggested limits. How do your *actual* expenses compare with suggested spending limits?

Housing: _____

Other: _____

Debt: _____

Transportation: _____

Savings: _____

Fixed vs. Variable Expenses

When spending money, we have several fixed and variable expenses to consider. **Fixed expenses** are the costs you can predict because they don't change from month to month or period to period. **Variable expenses** are hard to know before you incur them. You can estimate them, but they can fluctuate. From the word bank below, put each expense into the correct column. Some expenses *may* fit in both columns.

FIXED EXPENSES	VARIABLE EXPENSES

Word Bank

Groceries Car payments Insurance payments Entertainment
Haircuts Gas for car Personal care items Real estate taxes
Electric bill Rent Dining Out Mortgage
Netflix Clothes Yard care Car maintenance
Subscriptions Student Loans Gas for home Cell phone bill

Spend, Share, Save Quiz

1. The suggested budget limit for your housing is:

- A. 35%
- B. 25%
- C. 40%
- D. 20%

2. The suggested budgeting limit for transportation includes all except:

- A. Car payments
- B. Public transportation
- C. Life insurance
- D. License tabs

3. Your net income is after taxes have been withheld.

- TRUE
- FALSE

4. A budget can be defined as:

- A. A savings plan, a spending plan or a plan for your money
- B. A debt consolidation loan
- C. A line of credit

5. The suggested budget limit for the "other" category includes:

- A. Food, entertainment and college savings
- B. Car maintenance and entertainment
- C. Vacations, clothing and food

6. An Opportunity Cost is choosing one thing over another.

- TRUE
- FALSE

7. Buying something when you want it, not waiting, is called:

- A. Short-term goal
- B. Instant gratification
- C. Delayed gratification

8. PYF stands for:

- A. Putting yourself first
- B. Playing your funds
- C. Placing your funds
- D. Pay yourself first

9. A Variable Expense usually stays the same month-to-month.

- TRUE
- FALSE

Spend, Share, Save Quiz



10. An example of a fixed expense would be:

- A. Entertainment
- B. A car payment
- C. Haircuts
- D. Personal care items

11. Groceries are considered a Fixed Expense.

- TRUE
- FALSE

12. Different ways we can donate include:

- A. Volunteering for a non-profit
- B. Giving money to a charity
- C. Providing supplies to a non-profit
- D. All of the above

13. If your child has a "Save" jar, experts suggest that adding to their jar is a good idea.

- TRUE
- FALSE

14. An example of a variable expense is:

- A. Car payment
- B. Mortgage payment
- C. Haircuts
- D. Car Insurance

15. Since we live in an "invisible money" society, what percentage of adults do not make cash purchases on a regular basis?

- A. 10%
- B. 20%
- C. 30%
- D. 40%

16. Automating our savings deposits to occur regularly, is also known as "set it and forget it".

- TRUE
- FALSE

17. Planning out daily meals ahead of time, can help increase your spending power.

- TRUE
- FALSE

Spend, Share, Save Terms KEY

- | | |
|---|---------------------------------|
| 1. A spending plan H | A. Instant gratification |
| 2. Suggested spending limit B | B. 70% |
| 3. Suggested sharing limit M | C. Allowance |
| 4. Suggested saving limit N | D. Wants |
| 5. Saving up for a purchase E | E. Delayed gratification |
| 6. An unplanned purchase K | F. Opportunity cost |
| 7. Pay Yourself First O | G. Sharing |
| 8. Something you may give your child C | H. Budget |
| 9. To choose one thing over another F | I. Long-term goal |
| 10. Usually planned at least several years away I | J. Values |
| 11. Something you want to accomplish soon L | K. Impulse buy |
| 12. These determine your priorities J | L. Short-term goal |
| 13. Buying something when you want it, not waiting A | M. 10% |
| 14. Teaches us about compromise & fairness G | N. 20% |
| 15. Expenses that help you live more comfortably D | O. PYF |

Fixed vs. Variable Expenses KEY

FIXED EXPENSES	VARIABLE EXPENSES
Netflix	Groceries
Subscriptions	Haircuts
Car payments	Electric Bill (both)
Rent	Gas for car
Student Loans	Clothes
Insurance payments	Personal care items
Mortgage	Dining Out
Cell phone bill (both)	Yard care (seasonal)
Electric bill (both)	Gas for home (both)
Gas for home (both)	Entertainment
	Real estate taxes
	Car maintenance
	Cell phone bill (both)

Why can some expenses fit into both categories? Utility bills are typically variable expenses, such as your gas and electric. But some customers pay a budgeted amount, the same amount each month, based on past usage. This helps keep your month-to-month bills steady and not rise in the summer or winter months when you may use more heat or electricity. Also, cell phone bills may fit in either category as we all have different plans and using more data or minutes than our plans allow, can result in variable costs. What other expenses that you have can fit into both categories?

Spend, Share, Save Quiz KEY

1. The suggested budget limit for your housing is: A-35%
2. The suggested budgeting limit for transportation includes all except: C-Life insurance
3. Your net income is after taxes have been withheld. TRUE
4. A budget can be defined as: A-A savings plan, a spending plan or a plan for your money.
5. The suggested budget limit for the "other" category includes: C-Vacations, clothing and food
6. An Opportunity Cost is choosing one thing over another. TRUE
7. Buying something when you want it, not waiting, is called: B-Instant gratification
8. PYF stands for: D-Pay yourself first
9. A Variable Expense usually stays the same month-to-month. FALSE
10. An example of a fixed expense would be: B-A car payment
11. Groceries are considered a Fixed Expense. FALSE
12. Different ways we can donate include: D-All of the above
13. If your child has a "Save" jar, experts suggest that adding to their jar is a good idea. TRUE
14. An example of a variable expense is: C-Haircuts
15. Since we live in an "invisible money" society, what percent of adults do not make cash purchases on a regular basis? C-30%
16. Automating our savings deposits to occur regularly, is also known as "set it and forget it". TRUE
17. Planning out daily meals ahead of time, can increase your spending power. TRUE