Financial Wellness Curriculum

The Financial Wellness Curriculum provides students with information and financial tips for reducing personal debt and developing smart money management skills. The goal is to help students avoid defaulting on their student loan(s) and other obligations and, ultimately, plan for a lifetime of financial well-being.

The Financial Wellness Curriculum consists of several presentations that can be used individually or combined to cover a larger selection of topics. Ultimately, these presentations can be customized to meet the needs of your students, from freshmen to seniors.

Financial Wellness Curriculum Presentation Topics

1. Introduction to Financial Management
2. Understanding Financial Aid
3. The Budgeting Process
4. Time Management
5. Good Credit: Get It
6. Consolidation
Financial Wellness Curriculum: Introduction to Financial Management
Presenter’s Guide

This Financial Wellness Curriculum presentation called Introduction to Financial Management is designed for students in any year of college. This presentation addresses financial topics relevant to today’s college students. It is intended to stimulate audience participation and interaction.

The topics covered are:

- Short- and long-term goals
- Spending habits
- Student loans
- Budgeting
- Managing debt

Objectives

- Teach students the basics about finances and arm them with tips and information to help them make smart, educated financial decisions.
- Convey the importance of committing to financial goals and sticking to a plan.

Using the Presenter’s Guide

In this Presenter’s Guide, you’ll find notes to accompany each topic, sample questions, activities to engage the audience, information about online resources, and available handouts. Take advantage of the slide transitions as you move through the PowerPoint.

This presentation will take approximately 30 minutes.

Materials Needed

- Flip chart or white board
- Internet access
- An LCD projector
Title Page (Slide 1)

- Review slide.
- Explain the keys to financial success:
  - Making smart money decisions, committing yourself to your goals, and sticking to a plan
  - Knowing how to make your money work for you
  - Establishing groundwork early and knowing how to adapt as your financial situation changes
- Remind students that it is never too early to think about their financial future.

Slide Transition: Let’s look at some of the things we’ll cover in today’s presentation.

Objectives (Slide 2)

- Review the topics that will be covered in this presentation.

Slide Transition: The first step in reaching these objectives is to define your goals.

Understand Short- and Long-Term Goals (Slide 3)

- Review slide.
- Have students give other examples of financial goals.
  - Short-term goals may be for the current semester.
  - Long-term goals may be for next semester or after graduation.

Activity

- Have students write down three major expenses they have to pay for during the semester, including one special item they are hoping to save enough money to purchase.
- Instruct students to keep these goals in mind as they move forward with creating their budget.

Slide Transition: Before you can begin saving money to reach your goals, you need to know how you spend your money.

Where Does Your Money Go? (Slide 4)

- Review slide.

Activity
Ask students to stand up if they've used an ATM within the past 2 days.
Ask those who have spent the entire amount to sit down.
Ask those who have spent more than half of the amount to have a seat.
  - Depending on the audience size, you can continue reducing the amount until a majority of the students are seated.
  - Note what percentage of the class spent all or most of their money. Can they account for every penny or even dollar?
Ask for a volunteer or two from the group of students who sat first (those that spent the entire amount in 2 days) to tell you how much they took out and to account for how they spent it. Are they able to account for the full amount?

*Slide Transition: Knowing where your money goes is not always easy, so it is important to track expenses.*

**Where Does Your Money Go? Track Expenses (Slide 5)**

- Review slide.
- Ask if students have any other expenses to add to the list.
- Challenge students to begin tracking of all their financial transactions for 1 week, including all cash, debit, and credit card purchases, as well as ATM withdrawals. Understanding when they spend money and what they buy will enable students to identify needless spending.

**Activity**

- Ask students to name some items that fall into the "needless spending" category.
- Have a volunteer write the answers on the board or a piece of paper.
- Take a quick poll of how many students would be willing to give up some of these items.

*Slide Transition: Next we will review a way to plan your budget.*

**Where Does Your Money Go? The 70-20-10 Rule (Slide 6)**

- Review slide.
- Explain to students that if their budget exceeds percentages in any category, they must reduce their budget in the other areas.
- For example, discuss some ways to cut spending if it exceeds 70%:
  - Examples---
    - Make coffee at home instead of buying it every day.
    - Eat at the cafeteria instead of eating out.
    - Do a work-study program to help pay for tuition.
    - Borrow movies from the library.
> Encourage students to think of savings as “paying yourself first.” They should get in the habit of always putting a portion of their income into a savings account, even if they have only a summer job.

**Activity**

Below is a textbook-like math problem that can be used to explain how saving works.

Fred and Steve each save $2,000 a year into an Individual Retirement Account (IRA).

- Fred started saving at age 22 and stopped at age 31 (9 years).
- Steve started saving at age 31 and will continue to do so until he retires (34 years).

**Assuming both IRAs earn 9%, who will have more money for retirement at the age of 65?**

Fred will. His account will grow to $579,504. Steve’s account will grow to only $470,247.

How can this be? Fred invested only $18,000, while Steve will invest $68,000. The answer is compound interest. While Fred invested less money, he started 9 years sooner than Steve did. Steve’s money just didn’t have enough time to grow.

**Slide Transition:** One way to keep your spending in order is to determine your financial priorities.

**Where Does Your Money Go? Determine Financial Priorities (Slide 7)**

> Review slide.

**Activity**

**Option A**---Distribute the “Determining Your Financial Priorities” worksheet at the end of this Presenter’s Guide and ask a volunteer to keep a tally of the responses for the group.

- What are the results?
- Was anyone surprised by the responses?
- Did the group choose to eat out or pay their debt?

**Option B**---Ask students “What would you do if you had $50?” Conduct an informal poll and/or call on volunteers and ask them how they would spend $50 if they had the choice between the options listed. Appoint an audience member to keep tally and announce the results.

**Slide Transition:** Just make sure that the $50 you spend on eating out and social activities is not part of your student loan funds.

**Use Your Student Loan Money Wisely (Slide 8)**

> Review slide.
Emphasize to students:

- Student loans are indeed loans and will eventually have to be paid back.
- Use your student loan money only for educational and/or living expenses related to school, such as books, transportation, food, etc.
- You may receive a refund check if there is a balance remaining after all their tuition and fees are paid.
- Return anything you don’t need for school expenses.

**Slide Transition:** By using your loan money wisely, you are taking the first steps toward financial success.

**Create a Budget [Slide 9]**

- Review slide.

- Explain that budgets are not supposed to be restricting or complicated, but rather a guide to help people afford the things they want.

- Poll the audience to find out how many of them have and use a budget.

**Activity**

Refer students to their goal list made earlier in the presentation. Ask a few volunteers to share something they would like to purchase or do. Now ask how they plan to make it happen.

**Discussion**

- Who is planning a trip during spring break?
- Who has enough money to pay for their trip?

**Example**---Suppose you and your friends decide to go to Cancun, Mexico. The trip costs $933 and needs to be paid in full by March 1.

You begin planning in September, so you have 6 months to save.

In order to save $933 by March 1, you need to put away $155 per month. While this may seem like a lot of money, saving weekly makes it more manageable. Build it into your budget that you need to put away $38.88 each week.

While budgeting and saving this money may limit your spending now, the reward of traveling on spring break with your friends will be worth it!

**Slide Transition:** Developing a plan to reach your goal is the initial step in creating a budget that will allow you to have the things you want.

**Create a Budget: Use the Budget Calculator [Slide 10]**

- Review slide.
Suggest students visit YouCanDealWithIt.com to take advantage of the site’s easy-to-use online budget calculator.

Activity

Option A---Use one or two volunteers to complete the budget calculator found on YouCanDealWithIt.com.

Option B---Use the sample budget calculator on the slide to talk through items to consider when creating a budget. Explain there are only two choices if money is tight:

1. Increase your income
2. Decrease your spending!

Activity
Ask students to share ideas on how they can increase their income and decrease their spending.

Slide Transition: Now that you’ve reviewed spending habits and budgeting, it’s time to understand debt.

Manage Debt (Slide 11)

- Review slide.
- Explain that the ideal monthly debt payments should be 10% to 15% of a student’s monthly income. Anything over 20% is high, and students should determine how they can work to bring the payments down. This may mean giving up something they do not need, like the new pair of jeans or concert tickets.

Activity
Ask the audience to give examples of debt. Based on their responses, you can evaluate the students’ understanding of debt and clarify any questions.

NOTE: Rent is not debt---it’s a living expense.

Slide Transition: If you are in the danger zone, you need to stop charging and think before you spend.

Manage Debt: Before You Buy (Slide 12)

- Review slide.
- Ask students:
  - Will you have the money for dinner if you buy the jeans?
  - Will you be late on other bills if you charge them?
Is there room in your closet?
Is there room in your apartment?

Slide Transition: See how easy it is to reduce your debt.

Manage Debt: Use the Debt Repayment Calculator (Slide 13)

- Review slide.
- Use the credit card debt example shown to demonstrate how much a student would save if they paid more than the minimum balance on their credit card. By paying an additional $10 a month, they can pay down their debt sooner and save hundreds of dollars in interest.
- Encourage students to use this calculator on YouCanDealWithIt.com.

Slide Transition: Here are some more smart ways to think about money and debt.

Smart Ways to Think About Money (Slide 14)

- Review slide.
- Encourage students to be smart about purchases and understand that every little bit they save helps.

Slide Transition: Recap.

Objectives (Slide 15)

- Review slide.
- Ask for questions.
Determine Your Financial Priorities

Read each pair of words. If you had $50, which item or activity would you prefer to spend your money on?

Savings OR Your personal appearance
Clothes OR Social activities
Sports OR Eating out
Eating out OR Savings
Paying a debt OR Clothing
Social activities OR Religious organization/charity
Hobbies OR Paying a debt
Your personal appearance OR Sports
Religious organization/charity OR Hobbies
Social activities OR Savings
Hobbies OR Clothing
Your personal appearance OR Sports
Religious organization/charity OR Eating out
Savings OR Paying a debt
Clothing OR Social activities
Sports OR Hobbies
Eating out OR Your personal appearance
Paying a debt OR Religious organization/charity

**Tally your choices below.**

Religious organization/charity _______
Clothing _______
Eating out _______
Hobbies _______
Paying a debt _______
Your personal appearance _______
Savings _______
Social activities _______
Sports _______

What did you find your priorities to be? Were you surprised? Do you want to make any changes in the final order? Maybe you would like to spend less on eating out and more on savings, or you would like to decrease your debt and cut down on social activities. Maybe you are content with your priorities. The important thing is to understand them.

**Source:** National Endowment for Financial Education