

# LEARNER'S WORKBOOK

1

## BUDGETING

LAYING THE FOUNDATION

BUDGET TO BUILD WEALTH



WEALTH

MONEY MANAGEMENT

NET WORTH

FOUNDATIONS



Empowering youth and adults to take control of their financial futures.

#### **Financial Education Since 2005**

Financial Beginnings is a national nonprofit that provides accessible and unbiased financial education programming to youth and adults in schools and community-based organizations across the country. Programs incorporate all aspects of personal finance, providing the foundation individuals need to make informed financial decisions and play an active role in their financial well-being.

#### **Best-in-Class Curricula**

Financial Beginnings updates its curricula annually to ensure programming remains relevant to learners' needs and grounded in instructional design best practices, state education standards, and the latest financial education research. With a focus on accessibility and learner success, Financial Beginnings ensures all materials are designed to engage individuals from a wide range of backgrounds and income levels.

Special thanks to Farmers® Insurance for supporting our efforts to broaden access to high-quality financial education and strengthen our programs through approaches that are learner-centered, research-informed, and responsive to diverse learning experiences.

#### **Trained Volunteer Presenters**

Industry professionals are trained to present engaging lessons and activities and follow a strict code-of-conduct. Learners receive resource guides with valuable financial lessons for use during program sessions and to take home.

#### **Simple Registration**

Financial Beginnings offers a simple and full-service programming approach. Schools and community groups schedule programming online to fit their needs. Financial Beginnings takes care of the rest!

**More information:** [financialbeginnings.org](http://financialbeginnings.org)

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#### **Program Sponsor**

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The team at **Farmers Insurance**® believes that a brighter future starts in the classroom today. As one of the nation's leading insurer groups of automobiles, homes, small business, and more, **Farmers**® is committed to helping customers understand their coverage options and make informed decisions when selecting insurance for themselves and their families. To help empower the next generation of insurance consumers, **Farmers**® is proud to sponsor the Financial Foundations program at Financial Beginnings and support the organization in its mission to strengthen communities through accessible and learner-centered education. To learn more about **Farmers**®, visit [www.farmers.com](http://www.farmers.com).

**OVERVIEW**

## Budgeting 1

### BUDGET TO BUILD WEALTH

**USING THIS WORKBOOK**

Budgeting is the keystone to proper money management. Budgeting is more than tracking income and expenses. It is the key to setting and achieving financial goals. This module covers the concept of wealth and what it means to you. How to create SMART goals and spending and savings plans to attain wealth is also covered, and net worth and cash flow are explained.

Three key concepts are presented in each Financial Foundations module. Concepts are marked by individual icons with color-coded sections. Various activities are also labeled with tabs for easy reference. Module-relevant resources and terms are included at the end of the workbook.

**KEY CONCEPTS**

## Laying the Foundation

**WEALTH**

Create a personal definition of wealth that connects to your life goals.

**MONEY MANAGEMENT**

Understand how to create goal-aligned savings and spending plans.

**NET WORTH**

Learn how to calculate net worth and differentiate it from cash flow.

**CONTINUE THE LEARNING**

## Building the Strategy

The Financial Foundations program covers more than just the budgeting concepts included in this module. Each unit of the program includes two modules that complement and build upon each other. In Budgeting 2, budget tracking, budget optimizing, and managing the unexpected are presented, allowing you to build your knowledge further and get closer to becoming a financially capable adult.

Ask your instructor or Foundations presenter how you can learn more about other program units, including: Credit, Investing, Protection, and Spending. Meanwhile, check out our websites and social media for additional information, personal finance resources, and interactive online lessons.



## ICEBREAKER ACTIVITY

## DECISIONS, DECISIONS

If you had an extra \$50 to spend, how would you spend the money? Circle one item in each of the pairs.

Hobbies | Giving

Social activities | Clothes

Savings | Sports and recreation

Education | Clothes

Food | Sports and recreation

Giving | Personal appearance

Savings | Hobbies

Education | Sports and recreation

Food | Hobbies

Personal appearance | Food

Social activities | Giving

Personal appearance | Clothes

Savings | Giving

Hobbies | Clothes

Food | Giving

Car | Education

Savings | Social activities

Hobbies | Sports and recreation

Food | Social activities

Sports and recreation | Clothes

Clothes | Giving

Hobbies | Social activities

Giving | Sports and recreation

Car | Savings

Social activities | Sports and recreation

Car | Personal appearance

Personal appearance | Savings

Giving | Car

Food | Savings

Hobbies | Car

Social activities | Education

Car | Food

Personal appearance | Social activities

Clothes | Car

Hobbies | Personal appearance

Car | Sports and recreation

Education | Savings

Personal appearance | Sports/Recreation

Education | Hobbies

Clothes | Food

Giving | Education

Clothes | Savings

Social activities | Car

Personal appearance | Education

Education | Food

② How many of each of the items did you circle?

Savings

Education

Food

Hobbies

Clothes

Social activities

Sports and recreation

Personal appearance

Giving

Car

② Rank the items in order of importance to you.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_



# Wealth

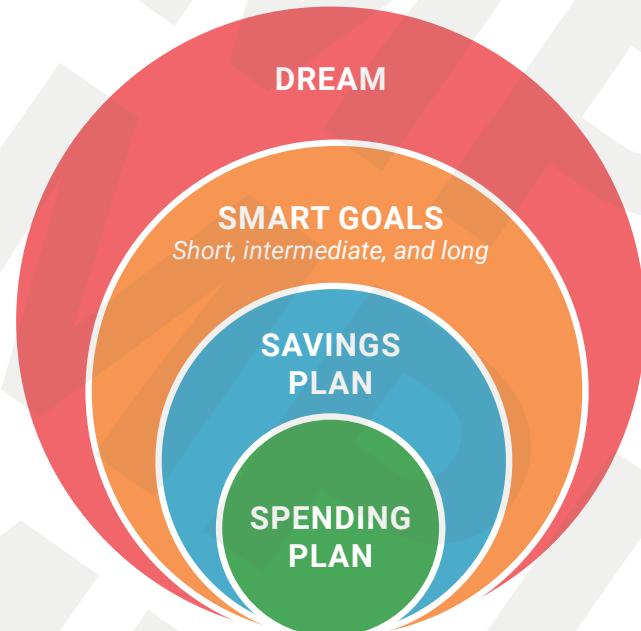
Create a personal definition of wealth that connects to your life goals

## ● ACHIEVING YOUR DREAMS

Turning our dreams into reality takes time, persistence, patience, and the ability to seek out help and support from others. Along the way, a lot of things can get in your way, things that are within your control and things that are not. To attain your dream, you should establish SMART goals and have a SAVINGS PLAN to feed into those goals. The majority of your funds will go towards needs you have, and extra wants will be limited in your SPENDING PLAN in order to fund your dream.

② What is your definition of wealth?

② List one dream you have.



② List some short, intermediate, and long-term goals that will help you achieve your dream.

**SHORT (LESS THAN 1 YEAR)**

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**INTERMEDIATE (1-5 YEARS)**

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**LONG (5+ YEARS)**

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 **WORKBOOK ACTIVITY****LIFELINE GOAL SETTING**

Where do your goals fit into your lifeline? The line below shows your life from 20 - 70+ years. There are many common life goals listed to the right.

For the goals that relate to you, enter each above the age (decade) at which you wish to attain them.

Write any additional personal goals you have for your younger years using the space provided below the lifeline.

**LIFE GOALS****ADDITIONAL GOALS**

**EDUCATION GOALS**

Apprenticeship program  
Trade school  
Associate's degree  
Bachelor's degree  
Master's degree  
Law/ Doctorate degree

**FINANCIAL GOALS**

Develop a budget  
Establish a good credit rating  
Plan your retirement  
Financial stability  
Financial independence

**CAREER GOALS**

Start a business  
Get a job  
Be an expert in something  
Be a good leader

**FAMILY GOALS**

Build a family (enter in multiple ages for multiple children)  
Send kid(s) to college  
Care for parent

**MAJOR PURCHASE GOALS**

Buy a car  
Buy a house

**OTHER GOALS**

Travel the world  
Retire

**LIFE GOALS**

50

60

70+

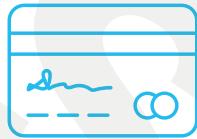


FIN FACT



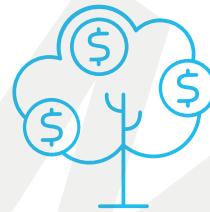
In 1960, women were the primary income earners in only 10% of U.S. households.

Over the last 60 years, this number has quadrupled to 40%.



## CREDIT

Create Your Credit Persona  
Leverage Loans To Finance Goals



## INVESTING

Get Inspired By The Time Value Of Money  
Understand Retirement Vehicles



## PROTECTION

Manage Risk With Insurance  
Prevent Or Recover From Fraud



## SPENDING

Tools And Services To Manage And Build Wealth  
Take Control Of Large Purchase Planning



## BUDGETING

### Budget To Build Wealth

Track And Adjust Your Budget

Scan to submit  
valuable feedback.



## BUDGETING 1 TAKEAWAYS



Focus on building wealth over  
becoming rich.



Make sure your savings and spending  
plans are based on SMART goals.



Calculating your net worth will help you  
determine your overall financial situation.