



Oklahoma Cooperative Extension Service
Oklahoma State University

Pathways to Success

A Basic Living Skills Curriculum

Budgeting Money (Part 2)

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Leader Materials

Budgeting (Part 2)

Objective: To assist learner in successful budgeting practices

Materials Needed: Learner's guide, pencils, calculator, scotch tape

Introduction: Put a piece of tape around the learner's finger. The hardest part of budgeting is sticking to the plan.

To Say

To Do

Sticking to the budget is a hard thing to do.

Use a piece of tape to illustrate sticking to the plan.



Budget (Part 2)

Today you will learn: how to be successful with your budget plans.

Budgeting



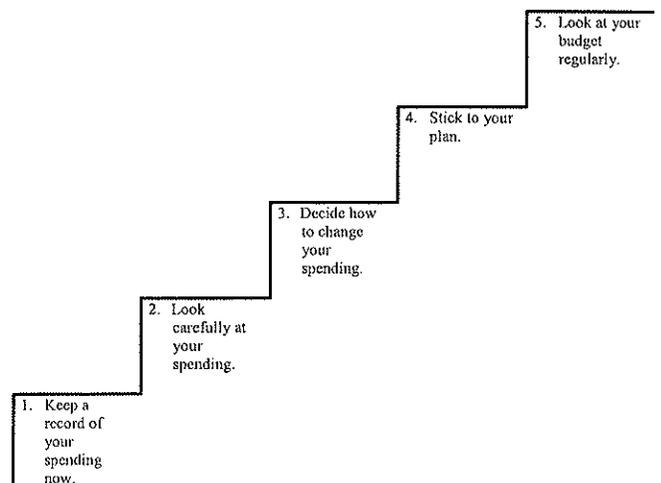
To Say

To Do

In the last month you kept an expense sheet. Do you have questions on these sheets?

Ask to see learner's expense sheets. Review the first 3 steps of the budget on page 2.

In Budgeting (Part 1) we discussed 3 of the 5 steps of developing a spending plan. Today we will look at Steps 4 and 5.



To Say

To Do

To finish learning about budgets we will work through Steps 4 and 5.

Read page 3. Discuss with learner the need to keep another month's sheet to be sure their new budget is working. Ask the learner to use page 6 to keep track of their expenses for the new budget. They will use page 7 to break expenses into areas of spending. These are examples on pages 4-5.

4. Stick to your plan.



Now that you have a new spending plan to try, use the next 4 pages to write down your expenses for the next month.

Use the calendar on page 6 and the sheet on page 7 to write down your expenses for the next month.



Stop spending when you have reached the budgeted amount.

Monthly Calendar for Recording Spending						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			\$25 gas \$15 groceries \$400 rent \$45 water bill	\$5 lunch \$30 cable bill \$20 doctor	\$45 day care \$8.99 pizza \$25 savings	\$6 movie \$100 groceries
\$10 church						

Areas of Spending

Food	Housing & Utilities	Household Supplies	Car-Gasoline or Bus Fare	Child Care & Child Support	Recreation & Personal Goods	Medical plus Insurance	Savings	Credit Payments	Clothing	Restitution	Other- Gifts, Church, School, Sales Tax	Totals
\$893	\$400		\$25.83	\$45	\$6.75	\$30	\$30				\$10	
\$11.50	\$25.19											

Monthly Calendar for Recording Spending						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

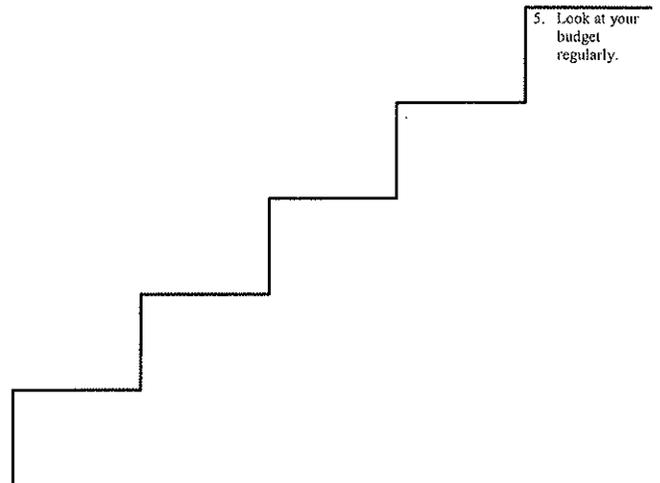
Areas of Spending

Food	Housing & Utilities	Household Supplies	Car-Gasoline or Bus Fare	Child Care & Child Support	Recreation & Personal Goods	Medical plus Insurance	Savings	Credit Payments	Clothing	Resistation	Other Gifts, Church, School, Sales Tax	Totals

To Say

To Do

After sticking to your spending plan for one month, you will be ready to look at your budget.	Read and discuss page 8 of the learner's guide. Have learner answer questions. Give suggestions for budget improvement.
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After keeping records of your spending with a budget, look at your budget again.

Is the budget plan working?

Are you happy with your spending?

How can you improve your plan?

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To Say

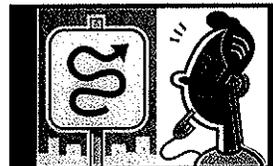
To Do

Most people do a better job of managing their money when they keep a record of their spending all the time..

Read and discuss page 9 of the learner's guide. Have learner determine changes that have or will affect his or her budget. Examples include moving, a new baby, loss of job, etc.

You may want to write down your spending all the time. Look at your budget every month or so or when your income changes. Change your budget when you take on new expenses or when you want to save for something different.

What changes have happened in your family that will make a difference in your budget?



What changes do you expect to happen in your future?

To Say

To Do

We have discussed steps 1-5 of Budgeting. There are other ways to keep a budget.

Read pages 10 and 11. Help learner devise an envelope system for dividing money into spending areas. Talk about how envelopes can be used to keep track of money spent. The same areas will be used for both budget systems. The budgeted amount of money is kept in the specific envelope for each month. A record of the amount budgeted, amount spent and when bills are due and paid is kept on the back of the envelope.

A Different Budget Choice

Using envelopes to hold money for each area of your budget can be a different way to plan your budget.



To Say

To Do

<p>Sticking to a budget is hard to do. Reviewing a budget is necessary to keep up with changes in our lives.</p>	<p>Read page 11. Discuss any questions and concerns learner may have.</p>
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Each envelope is a different budget area such as food or car expenses. The envelope is used for one year. Each month the budgeted amount of money is written down. Write down how much is really spent. You can see which areas of the budget you need to watch more closely.

The date the bill or payment is due can be written on the envelope. The day the bill or payment is paid is also written down.



Sticking to a budget is hard to do. It takes work. Use the envelopes or the weekly sheets. Decide which system you want to use. Remember that keeping money in envelopes is risky. Money can be burned or stolen.



Extra Activities:

- Discuss with learner possible ways to increase income to help with budgeting. Examples include looking for a better paying job, getting a part-time second job, turning a hobby into extra income, etc.
- Photocopy extra copies of pages 4-8 for learner to continue keeping records of spending.
- Discuss with learner ways to save money by economizing. Review tips in Budgeting (Part 1).

Lesson References:

Osteen, S.R. (2005). *The financial puzzle: Putting the pieces together*. T-4149, Stillwater, OK: Oklahoma Cooperative Extension Service, Oklahoma State University.

Weston, L.P. (2008). How to build your first budget. Available <http://articles.moneycentral.msn.com/collegeandfamily/moneyinyour20s/howtobuildyourfirstbudget.aspx> Retrieved September 25, 2008.