

NEEDS, WANTS & WISHES



When you finish...

Save the presentation in the Turn In Assignments folder. To do this, go to: Save As – Assignments – Turn In Assignments – CTE – Goldstein then the subfolder with your class period number – use your **first and last name** as the file name



Opening Assignment

Think of a time when you wasted money on something. What did you buy? When did you realize that you shouldn't have spent the money?

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HOW VALUES AFFECT SPENDING HABITS



Factors Affecting Decision Making

Wants Needs

Age *what about you?*

Family *Time* Habits

MONEY CULTURE Society

Values Motivation Education

Attitudes

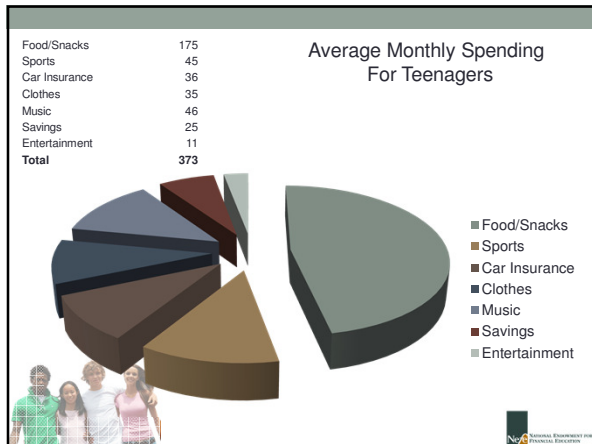


True or False?

American teens spend close to \$10 billion per year.

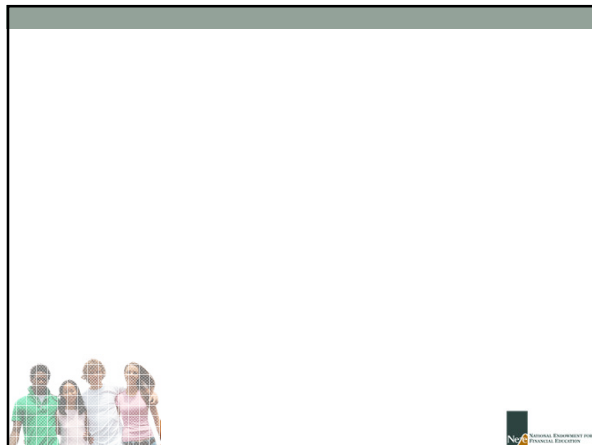
The number is actually about \$200 billion.





Quick Response

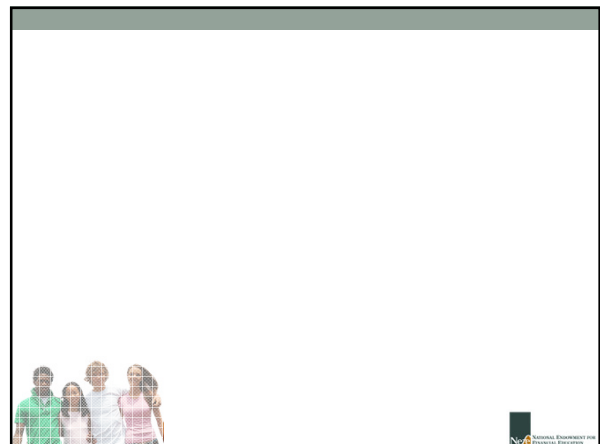
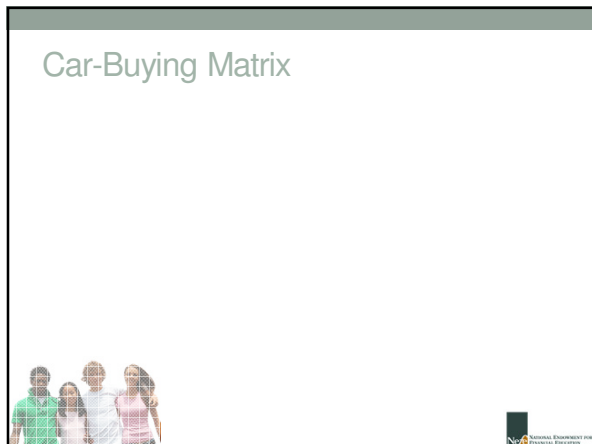
Compare how you actually spend money with your values survey. Does your actual spending align with your values? What are some things you can do to make your spending better align with your values?



Opening Assignment

If you were going to buy a car today, what kinds of things would you be thinking about in choosing the car? Explain what values would be the most important to you.

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Opening Question

Imagine it is your retirement dinner, and your family, friends, and colleagues stand up and describe the type of person that you are for them. How would you like to be remembered? What do you want your life to be like when you're retired?



If you aim at nothing, you'll hit it every time.



Specific, realistic goals work best

- The people who succeed are those who set realistic, specific goals
- "I will save \$1000 this year" is better than "I want to be king of the world!"



Pleasing other people doesn't work

- The key to change is finding the desire within yourself
- It will be harder to stay on track if you're doing something for someone else



Repeating a goal makes it stick

- Say your goal out loud each morning to remind yourself of what you want and what you're working for
- Write it down somewhere you can see it



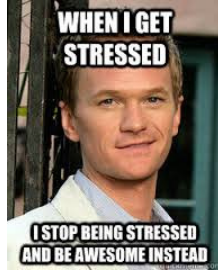
It takes time for a change to become an established habit

- It will probably take a couple of months before any changes become a routine part of your life
- Your brain needs time to get used to the idea



Roadblocks don't mean failure

- Slip-ups are part of the learning process
- Don't beat yourself up, just remind yourself to get back on track



Categories of Goals

- Education
- Family/Personal
- Health/Fitness
- Career
- Financial



Different Goals

- **SHORT-TERM GOALS**
 - *Within three months*
- **INTERMEDIATE-TERM GOALS**
 - *Four months to one year*
- **LONG-TERM GOALS**
 - *More than a year*



SMART Goals

- S**pecific..... *"Pay for lodging, transportation, meals for a 5-day trip to Washington, D.C."*
- M**easurable... *"\$300 through fundraising, \$50 from birthday money, save \$25 a week."*
- A**ttainable..... *"If I stick to my plan, I'll have the money when I need it."*
- R**elevant..... *"This goal is important to my life."*
- T**ime-Limited.. *"I need to have all the money by 6 months from now."*



SMART Goals?

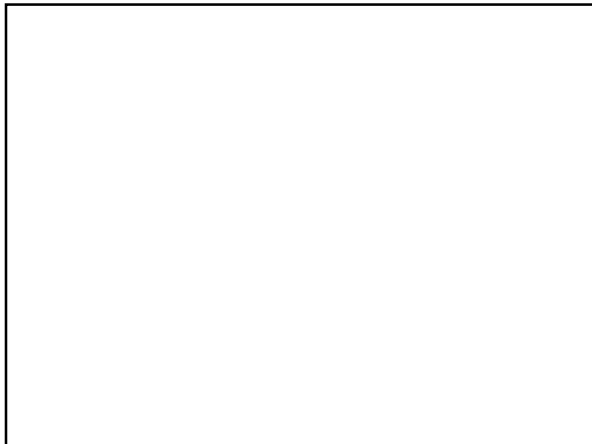
- Goal 1:
 - Buy four new tires.
- Goal 2:
 - Save money by April 1 to buy a prom dress.
- Goal 3:
 - Save \$100 for a trip to Dallas during Spring Break



SMART Goal

Save \$1000 over the next six months to pay for lodging, transportation, and meals for a trip to Washington, D.C.







Opening Assignment

Read the article on Ryan Broyles linked on the class web page. What do you think about his plan for living on a tight budget? Explain what you might do differently?

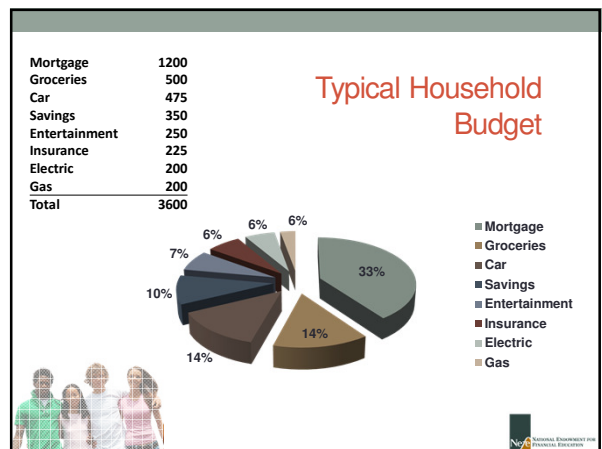
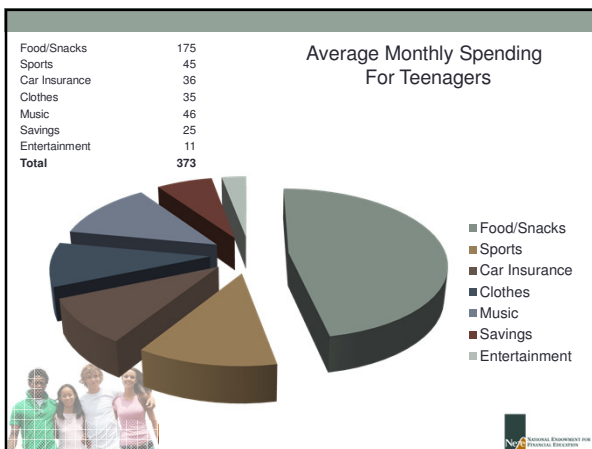


*“Most people don’t plan to fail...
They simply fail to plan!”*

True or False?

Ninety percent of high school students rely on their parents for information about money. True



People Without a Budget...

- ...Are less likely to know what they have.
- ...Have no plan, often coming up short before their next paycheck
- ...Are almost certain to have no plan to save for more expensive spending goals.



Reasons for a Budget

- ...Helps you determine where you are spending your money currently.
- ...Helps you decide where to spend your money in the future.
- ...You have an organized way to save for things that cost more.
- ...Puts you in control of your financial future, beginning NOW.



How to Build a Budget

1. Decide on a time frame for tracking expenses (week, two weeks, month).
2. List all money you have coming in (income).
3. Make categories for all expenses.
4. Subtract total expenses from income.
5. Study your budget and your financial plan to make sure it fits with your plans and goals.



| FIXED OR VARIABLE | | |
|-----------------------|-------|----------|
| Expense | Fixed | Variable |
| Rent | ✘ | |
| Electric Bill | | ✘ |
| Car Insurance Payment | ✘ | |
| Food | | ✘ |
| Cell Phone Bill | ✘ | |



PAY YOUR\$ELF FIRST!

- Pay into savings like it's a bill you owe to yourself – do this at the **beginning** of the month
- Save **at least 10%** of your take-home pay
- Every time you pay yourself first, you are developing a **saving habit**



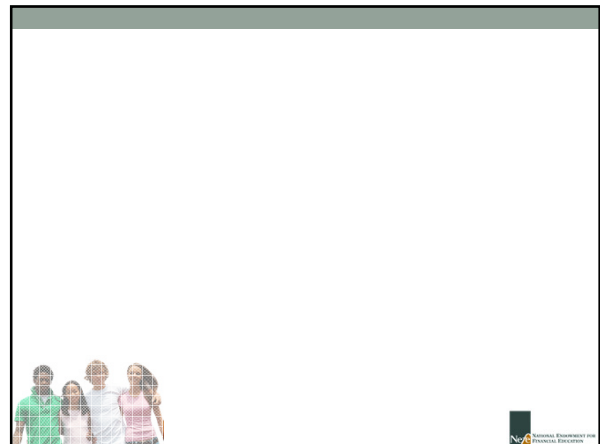
Zero-Based Budget

- Account for all money that you make and spend every month
- Doesn't mean you have to spend it all – just that you want to know where it's going



JACKSON'S BUDGET

| | |
|---------------------------------|----------------|
| Income: | |
| Paycheck | \$1,750 |
| Total Income: | \$1,750 |
| | |
| Fixed Expenses: | |
| Savings (PYF – 10%) | \$175 |
| Car Payment | 275 |
| Car Insurance | 50 |
| Rent | 750 |
| Cable TV/Internet | 75 |
| Variable Expenses: | |
| Utilities | 125 |
| Food | 200 |
| Gas | 100 |
| Total Expenses | \$1,750 |
| | |
| Total Income – Total Expenses = | \$0 |



Opening Assignment

Think about people you know of who are always broke and others who aren't. What do you observe about their levels of stress? Give a specific example of something you've observed.

Jessica's Budget

| | |
|-----------------------|------------|
| Income | |
| Paycheck | 600 |
| Total Income | 600 |
| | |
| Fixed Expenses | |
| Savings (PYF) | 120 |
| Car Payment | 235 |
| Car Insurance | 50 |
| Variable Expenses | |
| Gas | 60 |
| Cell Phone | 45 |
| Clothes | 45 |
| Games/Music | 45 |
| Total Expenses | 600 |
| | |
| Income - Expenses | 0 |

BUDGET LESSON

Closing assignment

Does it makes sense to create and live within a budget? What do you do if you find that you can't live within your budget?