

Get on the Path to Financial Success

Instructor's Manual

Workshop Overview

1. Workshop Introduction
2. Introduction to Banking Basics
3. Managing Your Checking Account
4. Developing and Maintaining a Budget
5. Identifying and Working towards Financial Goals



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1. Workshop Introduction

Introductions:

(2 minutes)

Introduce yourself and ask others in the room to introduce themselves.

Introducing the Course:

(2 minutes)

Tell them the following:

- It is quite common to have challenges managing money, but our goal is to make the workshop as friendly and easy as we can.
- While we need to cover the basics, we want this workshop to be interactive and involve everyone. With just an hour and a half, we will move through some materials briskly, but give you the opportunity to do some hands-on exercises. Feel free to ask questions at any point.
- We value your participation and would appreciate your thoughts on the evaluation form of how we can improve the workshop.

Pass out a green folder for each participant. Tell them the folder is for them to keep the handouts and materials they will receive during the workshop.

Inside the folder there is a “Get on the Path to Financial Success” *Workshop Overview*. Look over the basics of what you will be covering today.

“With stops along the way to learn Banking Basics, how to Manage Your Checking Account, how to Develop and Maintain a Budget, and how to Identify and Work towards Financial Goals, you will be on the path to financial success!”

Ask participants if they have any questions.



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Activity #1: VALUE CARDS (7-10 minutes)

- This activity includes statements on different colored paper representing five economic values. First, give each person a bundle of statements and ask him or her to sort statements into two piles. One pile will represent those statements he or she agrees with; the other pile will be of statements he or she does not agree with or is undecided about.
- After they have sorted statements, ask participants to select a couple of statements they agree or disagree with. Participants should read the selected statement aloud and tell why they agree or disagree.
- You can also explain the meanings of the colored pieces of paper. For example, if a participant has primarily yellow cards he or she agrees with, then they may value money for security and a feeling of well-being. See the following page for more in-depth explanations that you can share with the participants based on the color they choose.

The meaning of different colors:

Yellow: *You may value money for security and a feeling of overall well-being.*

Cream: *You may value money because of the status and comfort it can bring to your life.*

Dark blue: *You may value the importance of money in making you happy and satisfied.*

Red cards: *You may value money for how it can contribute to your other goals in life.*

Light Blue: *You may value money just to help you get by on a daily basis.*

- Their explanations will usually give insight into the financial values they hold. Allow these discussions about individual economic values to spark additional conversations later on in the class. These conversations can be tied to the upcoming exercises and how the participants think about money. For example, how an individual has thought about money or handled their finances in the past can play a large role in budgeting, spending, and shaping their financial future.

Adapted from Dorothy Z. Price and University of Tennessee Extension.



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Yellow Card Statements: **You may value money for security and a feeling of overall well-being.** Overall, you'd much rather save than spend. Money helps you feel safe, and you get concerned when you don't have enough money in the bank. Some of your friends say you're a penny-pincher, but you just think that you're pretty careful and cautious with your money. You only want to use your money wisely—and you'll usually spend outside of your budget only for an emergency. If you have extra money, you'll try to save or invest it. Preparing for future needs is very important to you.

Cream Card Statements: **You may value money because of the status and comfort it can bring to your life.** To be considered successful, having a lot of money or at least the appearance of a lot of money is important to you. Although you like to get a good deal just like anybody else, you prefer quality and more expensive-looking items over a bargain item that doesn't look as nice. You can also be pretty generous, especially with your circle of friends and family. However, it's difficult for you to ask for help when your finances aren't doing too well or you're in debt. You may also think that being successful isn't only about money, but also about where you live, how you dress, your education, and who you know.

Dark Blue Statements: **You may value the importance of money in making you happy and satisfied.** It's not necessary to be too careful with your money, because you can always find more money. You believe that it's better to buy something now that you need, rather than wait for later when you have more money or it might be on sale. Having more money is one of your most important goals, especially if you can spend it today. However, sometimes it seems too easy to go into debt and too difficult to pay off your credit card bills. Overall, spending money gives you personal satisfaction and can help you feel good about life.

Red Card Statements: **You may value money for how it can contribute to your other goals in life.** Money itself is unimportant, but it can help you reach your dreams for the future. You don't like to feel too dependent on money—money is just a tool to help you. You don't desire to be rich, but want at least enough money to do the important things in life. You sometimes think society and your friends place too much emphasis on having a lot of money.

Light Blue Statements: **You may value money just to help you get by on a daily basis.** You're not really concerned about money. There's no reason to worry about earning much money or saving it. You may think you've always had just enough money for your basic needs and don't need more than that. Your friends and family help you financially when you need it, but you also return the favor when you can. Overall, there's no need to worry about the future, because you'll just roll with the punches when they come. You may not make financial plans, because plans usually change, so there's really no point in making them.



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2. Banking Basics

Activity #2: Why Use a Bank? (3 minutes)

- A. Ask participants to briefly share reasons you should use a bank or credit union.
- B. Talk about why they are good answers.
- C. Add any of the five reasons below that they don't cover:
 - 1. Safety
 - 2. Convenience
 - 3. Cost
 - 4. Security
 - 5. Financial Future – Building a relationship with a bank will establish a record of paying bills, can help you save money, and is necessary for getting a loan.
- D. Explain any of the above if they have questions on what each reason means or if they look like they don't understand any of them.

Information: Steps to Open a Bank Account (2 minutes)

- A. Pass out *Handout 1: Opening a Bank Account*
- B. Explain *Bank On Bloomington*:
 - This workshop is a program of *Bank On Bloomington*, which is a partnership among financial institutions and nonprofits to help Hoosiers open a checking account. Even if you've had difficulties in the past, *Bank On Bloomington* can help you open an account.
 - The back of this handout lists the *Bank on Bloomington* participating banks where you can open your own account. Regardless of why you're here, it's great you're taking charge of your financial success!
- C. Briefly explain how to open an account:
 - First, find a participating bank that is convenient for you.
 - Ask about opening a *Bank On Bloomington* account. Explain your needs and situation, and they'll find the right account for you.
 - Next, bring identification and prepare for a review of your financial history. *Bank On Bloomington* participating banks usually offer a second chance for those with a history of bouncing checks or misusing accounts.
 - Learn how to manage your new account by asking your bank or credit union for additional resources. Also check out the Financial Stability Alliance's website for more events at financialstabilityalliance.org.



3. Managing a Checking Account

Activity #3: Writing a Check (7-10 minutes)

- A. Pass out *Handout 2: Writing a Check*
- B. Tell them the following:
- Writing checks is easy after you have some practice.
 - Make sure to always use a pen and write neatly.
 - Don't forget the #1 rule... only write checks when you have enough money in your account.
 - Together we're going to write a check.
- C. Have them fill out the following while you're watching:
1. **Date:** Write in today's date. Don't post-date a check! [Tell them why this is problematic – banks will cash a check that day, not a day in the future when you have enough money.]
 2. **Pay to the Order of:** Write in the name of the person(s) to whom you are writing the check. [Perhaps make it funny, such as Mickey Mouse or Buddy Bill's Bait Barn.]
 3. **\$ Amount:** Write the amount the check is for in numbers. When you write the number, start at the left and don't leave space. People could add in more numbers if you don't. Make it \$1,327.79.
 4. **Dollars:** Write, in words, how much the check is for. When you write the words for the dollars, start at the left side. Write any cents as a fraction. Draw a line through the extra space. [Tell them that this is the line that the bank will officially take, not the amount in the \$ Amount, if there is a discrepancy.]
 5. **Signature:** Sign your name here, just like it is on the top of the check. Don't sign it until you use it. If you sign it ahead of time, someone else could use the check.
 6. **Memo:** Indicate what the check payment is for. [Mention this is optional.]
- D. Don't forget to enter it into your check register, which is what we will talk about next. [Ask for any questions]



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Activity #4: Keeping Track of Your Money (7-10 minutes)

A. Pass out *Handout 3: Keeping Track of Your Money*

B. Tell them the following:

The way you keep track of your money when you have a checking account is by using a check register. This is where you write down everything you do with your account. Whenever you deposit money or withdraw money, write it down in the check register immediately. This is called recording a transaction. Let's take a look at a check register and how it works.

C. Go through each of the items by having them fill out the following in the sample check register with the check they filled out from Activity #3 above.

1. **Number:** This is the check number. You'll find it in the upper right hand corner of each check. Every check has a different number.
2. **Date:** Write in the date from the check.
3. **Description of Transaction:** This tells what you did. Did you deposit money? Did you write a check? Use the ATM? Make a telephone transfer? Describe your transaction here.
4. **Payment/Debit:** This is the amount of the check or how much the withdrawal is for.
5. **Code for Transaction:** This goes under the Fee column and is where you fill in a code for transactions you make when you aren't writing a check. When you get your statement, every month you'll place a "✓" through this box if you see the transaction listed.
6. **Service Fee:** If your financial institution charges you money to write each check, or to withdraw money from the ATM, write that fee in this space. This will help to ensure that your balance is correct.
7. **Deposit/Credit:** Did you deposit money into your account? Write down the amount here.
8. **Balance:** To find out how much money you have, add the deposited money to what you had before. Or subtract the withdrawal amount from what you had before. The money left is your current available balance.

Note: When you write a check, withdraw money from the ATM, or deposit money into your account, write it down right away. It's easy to forget if you wait.



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Activity #5: Balancing Your Checkbook with Your Monthly Statement (15-20 minutes)

- A. Pass out *Handout 4: Monthly Statement*
- B. Every month, you'll get a statement from your financial institution. Here are the different sections:
1. **Return Address:** Your financial institution sends your statement from this address.
 2. **Account Information:** Here is where you will find your personal information, like the type of account you have, account number and social security number.
 3. **Deposits:** This is where your deposits are listed. You'll see the date and the amount of money you deposited.
 4. **Checks and Deductions:** These are all the checks you wrote (or withdrawals made) for the month that have been processed. You'll see the date, the check number, and the amount you wrote the check for. If you see dots or stars between the check numbers, that means either you are missing a check, or that the check is outstanding.
 5. **Daily Balances:** You'll see dates listed and how much money was in your account on that day.
 6. **Ending Balance:** This is a summary of your account for the month. You'll see how much money you started with, how many withdrawals you made, how much money you deposited, and how much money you have left in your account.
 7. **Customer Service Number:** This is the phone number you can call if you have any questions about your account or your statement. Remember, if there is something you don't understand about your account, call the number you see on your statement to get your questions answered by your financial institution's customer service department.

The style of statements for each financial institution may vary slightly, but typically contain the same information.

- C. Then pass out *Handout 5: Balancing Your Checkbook* and review it with them.
- D. Now we'll cover how to balance, or reconcile, your account. That just means you'll see how much you deposited into your account, how much you spent, and how much you have left.

To balance your account, look at your check register and your statement together and compare them. Here's how to start:



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1. If your financial institution returns your checks to you, put them in order according to the check number. Otherwise the bank will provide copies or you can access them online.
2. Look at the statement; find the first check number listed.
3. Look at your check register. Find that same check number and place a check mark in the column labeled "Code." Do this for every check on your statement. If you see checks in your check register that are not listed on the statement, they have not cleared the financial institution as of the statement date. Don't check them off. They will be listed on a future statement.
4. Now, just like you did with the checks look at the statement again and find the first deposit listed. Now, look at your check register and place a check mark in the column labeled "Code" for every deposit on your statement.
5. Look to see if you have any other service fees or charges for checks, ATM withdrawals, financial institution services, or automatic deductions (a car loan, for example) listed on your statement. Also, check to see if your financial institution pays interest on your checking account, the interest amount must be added to your check register.
6. Enter the fee or interest amounts in your checks register. Don't forget to add or subtract these amounts from your balance.

Now, your checkbook should be up-to-date. Most of the time, your checkbook balance and the statement won't match. That is normal. This happens because of those outstanding checks we discussed earlier and any deposits that you made after the statement was printed.

7. Next, go to the reconciliation form usually on the back of the statement. This is a form to help you balance your account. Just like all the other forms we've talked about, there are spots for you to fill in.
8. List deposits, checks, and other withdrawals that you have written in your check register but are not listed on the statement in proper columns.
9. Write down the total of the deposit list and the checks/withdrawals list.
10. Write down the ending balance printed on the front of your statement.
11. Enter the total withdrawals and subtract from subtotal.
12. Now, the balance of your checkbook should match the ending balance on your reconciliation form. If the amounts match, you're done!

If the amounts do not match, calculate the difference. Review your statement and check register to see if there is an item of the same amount that may have been missed or double counted. If you still don't match, go back to where you balanced last month, and use a calculator to check your adding and subtracting. If you still have trouble reconciling your account, call the customer service number listed on your statement for assistance.



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Information: Other Important Banking Information to Know (2-3 minutes)

Go through the following set of handouts quickly, but make sure to talk about each one in terms of it being a topic they do need to know but that you won't have time to cover them all in the workshop today. Participants can look at them later at their leisure, but let them know they can talk to their financial institution if there are any questions.

- Common Errors
Handout 6: Common Errors
- Depositing Money
Handout 7: Depositing Money
- Endorsing a Check
Handout 8: Endorsing a Check
- Advice to Prevent ID Theft
Handout 9: Prevent ID Theft
- Availability of Funds in Your Deposit Account
Handout 10: Availability of Funds in Your Deposit Account
- Online Banking Basics
Handout 11: Online Banking



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4. Developing and Maintaining a Budget

Activity #6: Four Steps to Budgeting (10-12 minutes)

- A. There are four steps to develop and maintain a budget: **Step 1:** Track daily spending; **Step 2:** Determine income and expenses; **Step 3:** Find ways to decrease spending; **Step 4:** Find ways to increase income. We're going to talk about each of these.

- B. Pass out *Handout 12: Daily Spending Diary*

Step 1: Track daily spending. If you want to be in control of your money, it is critical that you understand where your money goes. One way to do this is to keep a spending diary to record everything you spend. You can use this information to track your spending over a period of time, say a month, so that you can see how you are spending your money.

- C. Pass out Paycheck Power Booster Calculator

This is a little tool to help you get a handle on how much you spend on non-essentials. [Spend a couple minutes on how to use the calculator. Ask someone if they drink soda/pop and how much they consume in a day. Then have this person use the calculator. Do an example for at least a couple people in the room. Tie it together with the daily spending diary by making reference to items they might spend less on and save.]

- D. Pass out *Handout 13: Monthly Income and Expense Worksheet*. Make sure to ask if they have any questions on the use of this handout.

Step 2: Determine income and expenses. This step is much more involved. It will take you a couple hours to go through your old bills and pay stubs, and think about how much these items cost. But finding the time will help you understand how much you're bringing in and how much you're spending. If the total for the column on the left is smaller than the column on the right, pay extra attention to the next handout.

- E. Pass out *Handout 14: Tips to Help You Decrease Spending and Save More Money*

Step 3: Find ways to decrease spending.

Step 4: Find ways to increase income. Talk about this handout by reading a few. Ask each participant which one of these tips they might be able to implement or they have ideas of others not on the sheet.

Information: Other Budgeting Tools (2 minutes)

Pass out *Handout 15: Other Budgeting Tools* and *Handout 16: Online Money Management Tools*. Let them know there are other tools they can use.



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5. Identifying and Working towards Financial Goals

Activity #7: Four Steps to Financial Goal Setting (8-10 minutes)

- A. There are no hard and fast rules for implementing a financial goal setting plan. The important thing is to at least do something as opposed to nothing, and to start NOW.
- B. Pass out *Handout 17: Four Steps to Financial Goal Setting*. Tell participants the following: Here are four steps you can apply to any financial goal setting exercise. [Actually read through the handout. Then read the following:]

Sometimes when people write down their goals, they discover that some of the goals are too broad in meaning and nearly impossible to reach, while others may seem smaller in scope and easier to achieve.

[Ask participants to come up with examples and fill out the chart.]

Long-term goals (over 5 years) are those things that won't happen overnight, no matter how hard you work to achieve them.

Examples of long-term goals might include college education for a child, a retirement plan, or purchasing a home. Whatever the case, these goals generally require longer commitments and often more money in the end.

Intermediate-term goals (1 - 5 years) are the type of goals that can't be executed overnight, but might not take many years to accomplish.

Examples might include purchasing/replacing a car, getting an education or certification, or paying off your debts like credit cards etc. (depending on the amount).

Short-term goals (within one year) generally take one year or less to achieve.

Examples might include purchasing a new computer or sending your kid to camp.

What are your goals? To find out, you need to make up a list, decide which timeline your goal fits into, detail the steps necessary to achieve your goals, then take action toward reaching those goals. It's that simple.

The steps to setting goals successfully don't change, only the methods that you use to go about it. Financial goal setting is working to save and invest money. It really is that easy.



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Activity #9: Evaluation (2-3 minutes)

Pass out the *Evaluation Form*.

- A. Thank you for your participation today! Hopefully the “Get on the Path to Financial Success” workshop was helpful and enjoyable. Please take a few minutes to fill out this evaluation form. Tell us what you liked and also let us know what we need to do differently to be more helpful.
- B. If you are completing this workshop for a Bank On Bloomington certificate, please see me after you’ve completed your evaluation. [Write participant’s name and sign your name as the instructor on the certificates and give it to them.]
- C. Have a great day/evening!



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