



Activity Tips
Adult Section – Unit 4

ACTIVITY

The ABC's of Financial Planning

OVERVIEW

This activity emphasizes the steps involved in establishing a financial plan. Through a series of interactive, decision-making steps, participants answer questions that will allow them to begin the process of establishing their own financial plan.

OBJECTIVES

Participants in this activity will:

- Understand the reasons people save.
- Learn the value of having a personal financial plan.
- Recognize steps in establishing a successful financial plan.
- Understand why budgets are important to financial planning.

BEFORE
THE ACTIVITY

- To establish a personal reference to the topic of financial plans and budgets, take an informal poll by asking for a show of hands of those individuals who have a written household budget; who follow that budget; who have a written financial plan; and who follow that financial plan.
- Identify volunteers who have a financial plan and/or budget who would be willing to share their success stories. Profile those who have a written plan but have experienced problems when they did not follow their budget.

DURING THE
ACTIVITY

- Because of the subject matter of the activity, encourage questions and discussion throughout the activity. This will allow participants to become more comfortable with the topic of a financial plans and budgets.
- When sharing the results of the class poll, don't overlook the possibility that some may have an unwritten financial plan or budget that has allowed them to be somewhat successful. Stress the need to have this plan in writing.
- While understanding the steps to take in establishing a financial plan is important, emphasize the importance of having and maintaining a budget to insure the success of a financial plan.
- Encourage participants to use a pencil when first completing the budget form. Stress the importance of collecting actual data to support the various components of the budget; that budgets are not a "guessing game" but rather a definite plan of action to help a person keep track of income and expenditures.

AFTER
THE ACTIVITY

Encourage participants to involve all members of the family in establishing and maintaining a budget, stressing the value of family ownership in a budget.

TIPS FOR
SUCCESS

Many individuals feel that a written budget can be too confining. Identify opportunities throughout the activity to emphasize the role of a budget in achieving successful short-and long-term goals.