

SKILLS FOR LIFE

SESSION 3

Suggested Agenda

8:30 a.m.	Arrival of Participants
9:00 a.m.	Welcome
9:05 a.m.	Basic Finances
9:35 a.m.	Session Overview
9:40 a.m.	The Buck Stops Here
10:40 a.m.	Break
10:45 a.m.	Cooking Demonstration: Tuna Casserole
11:05 a.m.	A Penny Saved is a Penny Earned
11:50 a.m.	Lunch
12:30 p.m.	Unit Pricing
1:00 p.m.	This is Your Life
1:30 p.m.	Closing and Evaluations

<u>Materials</u>	<u>Handouts</u>
Flipchart Paper or Blackboard	H19 Session Agenda
Pocket Calculator	H20 Weekly Expense Record
Markers or Chalk	H21 Budgeting
Handouts (19-23)	H22 The Buck Stops Here
Pencils	H23 Tuna Casserole

SKILLS FOR LIFE

TRAINING GUIDE

(Initiator): "Most of us are always looking for ways to save money. Today we'll spend some time discussing money and budgeting."

Participant Objectives and Activities: Successful participants will be able to:

1. Identify some basic financial terms and concepts.

- **Terms to define and discuss: Credit, Interest.**
- **Define Credit as money lent, usually for a fee, which must be repaid at a future time. People borrow money or use credit to purchase something in the present that will be paid for with future income. The risk is that the borrower may not be able to repay, which costs them more money in interest and possibly affects their credit rating. A poor credit rating can increase the cost of using credit or cause future loan applications to be denied.**
- **Define Interest as the price paid for using someone else's money and interest rate as that price expressed as a percentage. Interest payments mean that getting money in the short run can ultimately cost you a lot in the long run. Banks also charge interest for use of their services, i.e., having an account so that you can cash checks etc., but those rates are lower than interest charged for getting credit. Review factors that make debt grow: amount owed and interest rate, length of time money is owed or debt is 'carried.'**
- **Explain how interest rates vary, and that certain types of credit cost more than others. Credit cards charge much higher interest than bank loans or lines of credit (typically about 18% a year), so it's better to get a bank loan or line of credit than to use your credit card if you need to borrow money. Provide examples of credit rates for comparison. (Time: 30 min.)**

2. Identify the goals and objectives of this session.

- **Review the goals and objectives listed below with participants. Pass out the Session Agenda (Handout 21). (Time: 5 min.)**

GOALS:

1. *Enjoy ourselves.*
2. *Become healthier and happier.*
3. *LMA food, nutrition, and cooking.*
4. *LMA other issues of interest.*

OBJECTIVES:

1. *Identify financial terms.*
2. *Evaluate and calculate your budget.*
3. *Identify ways that supermarkets influence what we buy.*
4. *Identify 20 different ways to stretch your food dollars.*
5. *Define and describe unit pricing.*
6. *Describe steps in preparing Tuna Casserole.*

3. Define the basic characteristics of successful budgeting.

- **Define budgeting and its characteristics. Then have participants think for 2 min. about this statement: "The biggest problem I have when budgeting (or trying to save money) is _____." Discuss their responses in large group. Detail how their problems will be dealt with in the session. (Time: 15 min.)**

(Transition): "Expenses and income are the two main components of budgets. We need to learn more about them."

4. Identify the primary types of expenses and sources of income in an ordinary household.

- **In pairs or small groups, have participants list their common expenses and sources of income. (10 min.) Then small groups report back to large group. Go from group to group to make up list on a flipchart. Point out differences between fixed and variable expenses. (10 min.) Give them a copy of Budgeting Handout 23 and note any sources of income or expenses not already discussed. Review the five budgeting steps outlined on Handout 23. (10 min.) (Time: 30 min)**

- **Ask participants to track their daily expenditures for a week using Handout 22. List on the chart the date and the item or service purchased. Note whether the expenditure is a planned or unplanned expense. Ask participants to record all money spent, no matter how small the amount. At the end of the week, have them total each category. Then have them calculate a grand total of all expenditures. Compare this total to the amount of income earned each week. Are they spending more than they earn? (10 min.)**

- **Give participants clean copies of Handouts 22 and 23 to plan their own weekly and monthly budget. Offer to review it confidentially and help them. Perhaps participants could bring a completed budget to the next session for**

you to review; they might be assigned partners and agree to talk once during the week with each other about their progress. (5 min.) (Time: 15 min.) (SEE "Living on Less" handout in Appendix 15)

(Transition): "Today's menu item takes a while in the oven, so we will prepare it now and continue to discuss budgeting while it cooks."

5. Describe the procedures for preparing a recipe item and prepare the meal at home.

- **Discuss the ingredients, equipment, and procedures for preparing the menu item (Handout 26). Discuss substitutions, variations, and any other pertinent information. (Preparation time 20 min.; Cooking time 45 min. while teaching # 6.) (Time: 65 min.)**

(Transition): "We've talked about how to make a plan with our money; now let's talk about ways to save it when shopping at the supermarket."

6. Identify at least 20 ways to save money when shopping at the supermarket.

- **Make a list of all the places participants have been exposed to advertising during the past week. Brainstorm as a group about what affects this has on what they buy. (5 min.)**

- **Discuss advertising and other practices used by supermarkets to sell items. (SEE Understanding the Supermarket handout in Appendix 15) (10 min.)**

To illustrate the power of commercials, ask participants what products the following jingles are for:

- "Good to the last drop" (Maxwell House Coffee)
- "Melts in your mouth, not in your hand" (M&M's candy)
- "Breakfast of Champions" (Wheaties)
- "No one can eat just one" (Lay's Potato Chips)
- "It's the real thing" (Coca-Cola)
- "M'm! M'm! Good!" (Campbell's soup)
- "The San Francisco treat" (Rice-a-Roni)
- "They're grrrr-eat!" (Kellogg's Sugar Frosted Flakes)
- "You deserve a break today" (McDonald's)
- "Where's the beef" (Wendy's)
- "I can't believe I ate the whole thing" (Alka Seltzer)

- **Participants become shopping experts and meet in small groups to list the ways they save money at the supermarket. (10 min.) Answers are reviewed in large group. Pass out Handout 25 and highlight other important ways to save money. Discuss ways to save money in each food group. (10 min.)**

- **Participants list 10 items they might purchase and rate them according to importance. Discuss the rating criteria used. (5 min.) (Time: 45 min.)**

7. Define and describe unit pricing.

- **Define unit pricing and discuss as a group. Draw an example of unit pricing on a flipchart to show how a comparison is made. Use the example below:**

BRAND NAME RAISIN BRAN \$4.09	BETTER VALUE RAISIN BRAN \$2.70
011110 101 211	02341 231 8948398
20.54/oz.	13.54/oz.

Unit pricing is provided in many supermarkets and compares the retail price and price per pound, ounce, quart, or other unit of a product. Both of these prices are usually found on the shelf edge below the product. Unit pricing allows you to find the best buy among different brands, and storage methods (e.g., fresh, frozen, canned). Meat often has unit pricing (e.g., per pound) and a retail price on a label on the package.

In some cases a cost per serving pricing may be available. Compare unit pricing to cost per serving pricing. Cost per serving gives you the most accurate cost for a serving of an item; the price per pound is often divided by the number of servings per pound to determine it. (Time: 30 min.)

8. Write a personal budgeting goal that includes strategies to achieve and evaluate it.

- **Refer to goals and objectives instructions from previous Sessions and adapt to current Session as appropriate. (Time: 30 min.)**

9. Review/Evaluation.

- **Review concepts previously discussed in Club sessions (i.e., Food and Nutrition Basics from Session 1). Play the Food Game or give a Nutrition Quiz and/or use evaluation/closing exercises as time permits. (SEE Appendix 14 & 15.) (Time: 20 min.)**

SKILLS FOR LIFE

SESSION AGENDA



FINANCIAL TERMS AND CONCEPTS

Do you ever wonder why credit cards are easy to get?

OVERVIEW OF THE SESSION

THE BUCK STOPS HERE

Do you want to save money? We will discuss the steps in setting up a personal budget.

THE COOK'S CORNER

Tuna is a low-cost ingredient of many tasty recipes. We learn how to prepare Tuna Casserole.

A PENNY SAVED IS A PENNY EARNED

Helpful hints for making your money last longer in the supermarket. How can you save money? How does your diet affect your food bills?

LUNCH

Try it. You'll like it.

THIS IS YOUR LIFE

Set a personal goal to accomplish.

CLOSING AND EVALUATION

NEXT CLUB MEETING IS ON

WEEKLY EXPENSE RECORD

ITEMS	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.	Total
Groceries								
Lunch/Dinner								
Snacks								
Pharmacy								
Tobacco								
Alcohol								
Transportation								
Car Repairs								
Clothing								
Laundry								
Dry Cleaning								
Education								
Recreation								
Allowances								
Daycare/Sitter								
Gifts								
Home Repairs								
Appliances								
Furnishings								
Doctor								
Dentist								
Medication								
Attorneys								
Other								
Other								

Weekly Take Home Pay _____

Weekly Total Expenses _____

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BUDGETING



H-21

Introduction

A budget is a spending plan that helps you predict how much money to save and spend. You usually set up a budget for a particular period of time such as a week, month, or year. The budget will not always be the same since you spend and save different amounts depending on your needs.

Carefully planning a budget can help you do the following:

- Spend less money than you make so you can save money. Try to save 10% of what you earn.
- Plan for future goals.
- Plan for future emergencies.
- Pay bills early that come several times a year such as insurance.
- Take advantage of special bargains and sales.

Directions

Exercise sheets are attached to this page. You should start with Exercise 1 and complete each one in order. As you complete these exercises you will learn more about the items you spend your money on. This will help you plan your own budget in the future.

EXERCISE 1 - Budget Worksheet: Spending

*Approximately how much do you spend on these items every month?
Items 1 - 8 are "flexible expenses" which change monthly.*

Please indicate how much you spend on each item every month.

1. Food \$ _____
2. Clothing/Laundry \$ _____
3. Furniture/Appliances \$ _____
4. Recreation \$ _____
5. Car/Transportation \$ _____
6. Toiletries (soap, deodorant) \$ _____
7. Medicine (including Doctor's visits) \$ _____
8. Other \$ _____

Items 9-15 are "fixed expenses" that do not change much.
Please indicate how much you spend on them every month.

9. Rent \$ _____
10. Electricity and Gas \$ _____
11. Water \$ _____
12. Phone \$ _____

13. Insurance (Payments are usually made every 3 months but you should save money to pay them each month. Divide the insurance plan's total cost by 12 to determine how much you should save monthly.)

Automobile Insurance \$ _____

Health Insurance \$ _____

14. Savings \$ _____ (each month)

15. Other (Example: Car payments) \$ _____ (each month)

TOTAL MONTHLY EXPENSES \$ _____
(add items 1-15)

EXERCISE 2

Please indicate approximately how much money you take each month as income in items 1-12. Income is, *any money that you make or benefits that you receive during the month.*

1. Salary ("take home pay") \$ _____

2. Tips \$ _____

3. Interest or Savings \$ _____

BENEFITS:

4. SSI \$ _____

5. Social Security \$ _____

6. Food Stamps \$ _____

7. Child Support \$ _____

8. Welfare (GPA) \$ _____

9. Welfare (AFDC) \$ _____

10. WIC \$ _____

11. Unemployment \$ _____

12. Other (please indicate) \$ _____

TOTAL MONTHLY INCOME \$ _____
(add items 1-12)

EXERCISE 3

The total you spend should be less than your income. If not, you may be in trouble! Please fill in the blanks below based on the results from Exercises 1 and 2.

Total Monthly Expenses (Exercise 1) \$ _____

Total Monthly Income (Exercise 2) \$ _____

SAVINGS

(subtract Exercise 2 total from Exercise 1 total) \$ _____

EXERCISE 4

Budget Worksheet:

- How much should you be spending?
- How does your spending compare to what you should be spending?
- You can compare how much you spend to how much other people spend.

Directions

Column A lists common monthly expenses in every family. Column B is the percentage of income that most people spend on each item. Column C is your monthly income from Exercise 2; it stays the same for each item. Column D is what you should be spending (multiply column B times column C to obtain this amount).

Percentage Guidelines For Spending: Survival Guide

A	B		C	D
Expenses	Percentage Guidelines		Your Income	What You Should Be Spending
Housing, Rent, Utilities	.30	x	\$_____	\$_____
Food	.17	x	\$_____	\$_____
Car & Transportation	.15	x	\$_____	\$_____
Clothing & Laundry	.10	x	\$_____	\$_____
Medicine & Doctor's visits	.10	x	\$_____	\$_____
Personal Toiletries	.10	x	\$_____	\$_____
Recreation, Savings, Gifts	.08	x	\$_____	\$_____

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THE BUCK STOPS HERE



1. Plan your meals and snacks ahead.
2. Make a grocery list before you shop and buy only what is on your list (but be prepared to make substitutions).
3. Don't shop on an empty stomach!
4. Shop where you know the layout of the store and are less likely to buy items on impulse; stores are carefully designed to encourage you to make impulse buys (e.g., just because an item is at the end of an aisle doesn't mean it's a bargain).
5. Don't buy food at convenience stores since it is usually more expensive.
6. Check advertised specials for bargains. Compare these bargain prices with comparable brands. Become familiar with brand names so you can recognize price changes.
7. Read labels to learn the size, weight, and ingredients of food products.
8. It is better to buy products by weight rather than by volume or package size. Check and compare unit pricing.
9. Use "money-off" coupons only for things you need. These coupons are often for highly processed, over-packaged, or name brands. Store brands may be cheaper.
10. Buy staples such as flour, sugar, and corn meal in bulk once or twice a month since most items cost less per serving when you buy a larger package. Buy store brands.
11. You pay more for convenience. Save money by doing your own cutting, slicing, grating, mixing, seasoning, and cooking.
12. Buy fruits and vegetables in season when they are cheaper and quality is better.
13. Drink water instead of more expensive, heavily sugared sodas and fruit drinks.
14. Use regular powdered milk instead of fresh milk in recipes since it's cheaper. If your kids won't drink it, mix it with fresh milk so they won't know the difference.

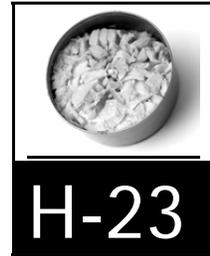
15. Meat is a good source of protein but it's expensive. Good alternative (and cheaper) sources of protein include canned fish, eggs, beans, and tofu.
16. To reduce food bills, use casseroles, soups and stews as your main course.
17. Luncheon meats, hot dogs, and bacon are high in fat and low in protein. They are poor buys for your money.
18. When buying meats, cost per serving, not cost per pound, is the best measure of value. Buy meat on sale and freeze it.
19. Turkey is a better value than chicken. Larger turkeys are more economical than smaller ones because they have a higher proportion of meat to bone.
20. Buy whole chickens and turkeys. Buying breasts or other parts alone is more expensive. Freeze leftovers for future use in sandwiches and casseroles.
21. Chicken necks and backs make good soup bones and broth. Cut cooked meat from the bones and add it to the soup.
22. Frozen vegetables in special sauces are expensive. Buy plain frozen or canned vegetables and add your own seasonings or sauces.
23. Buy bulk foods when available.
24. Always check the expiration date on dairy products.
25. Carry lunch to work. Eating out is expensive.
26. Salad dressings, gravies, and sauces are cheaper if you make your own.
27. Buy whole-grain cereals. Avoid sugarcoated cereals. They have too much sugar and are overpriced. Look for generic or house brands.
28. If anything you buy is spoiled, return it.
29. Paper products can run up your food bill. Use cloth towels/napkins and launder them. Use covered jars or plastic containers to store food in the refrigerator instead of foil or plastic wrap.
30. Buy only food items at grocery stores; other items such as cosmetics can usually be bought cheaper somewhere else.

Source: Various

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TUNA CASSEROLE

(Serves 3 to 5 people)



INGREDIENTS:

- 1 can (6 1/2 oz.) of tuna
- 1 cup of macaroni (uncooked)
- 16 oz. can of peas or corn or mixed vegetables (undrained) (can also use 2 cup frozen peas or mixed veg., thawed)
- 1 can (10 oz.) can of cream soup: (pref. mushroom or celery – can use low-sodium)
- 1/2 cup of milk (can use skim or 2%)
- 1/4 cup ea. chopped onion and/or celery and/or green pepper
- Salt and pepper
- Shredded cheese or cheese slices (optional)

EQUIPMENT:

- 1 quart pot
- 1 large bowl
- 1 small bowl
- 1 casserole dish
- 1 strainer (optional)

DIRECTIONS:

1. Bring 1 quart of water to boil.
2. Add macaroni to boiling water and cook for 12 minutes. Stir occasionally.
3. Drain the macaroni and the tuna.
4. Mix the tuna, macaroni, chopped vegetables and peas/corn/mixed vegetables together in the casserole dish. Add the canned soup and milk.
5. Bake the casserole for 30 minutes at 350°.
6. Add cheese slices or grated cheese to the top of the casserole.
7. Bake the casserole for another 15 minutes in the oven.
8. Remove the casserole from the oven.

Source: Various; Collected by the Cooperative Extension Service of the University of Maryland System.