



## Lesson Guide

Climbers learn about the fundamentals of budgeting and saving. After identifying their own “Money Personality,” they develop knowledge of financial concepts, such as income and expenses and practical strategies to avoid common budgeting mistakes. By the end of the lesson, Climbers will have created a simple budget and set saving goals.

<b>Learning Objectives</b>	<p><b>Identify</b> money habits and align them with long-term financial goals.</p> <p><b>Understand</b> different types of income and expenses, including fixed and variable costs</p> <p><b>Practice</b> using tools, including a monthly budget template, and applying tips to avoid common pitfalls.</p>
<b>WIOA Program Elements</b>	<p><b>E11. Financial Literacy Education.</b> Directly addresses budgeting, managing income, understanding taxes/pay stubs, and using digital banking platforms.</p>
<b>Key Concepts</b>	<p><b>Budget:</b> A plan for managing income and expenses over a set period.</p> <p><b>Income:</b> Money earned from work or other sources.</p> <p><b>Expenses:</b> Costs for goods and services (e.g., rent, food, utilities).</p>
<b>Materials</b>	<p><b>Coach Deck:</b> <a href="#">Budget Smarts</a></p> <p>Internet-ready devices with Hats &amp; Ladders access</p> <p><b>Activity:</b> <a href="#">Customize a Monthly Budget Template</a></p> <p><b>Resource:</b> <a href="#">Monthly Budget Template</a></p> <p><b>Rubric:</b> <a href="#">Customize a Monthly Budget Template</a></p>

## Coach Prep

1. Review lesson instructions and activity materials, including the **Coach Deck**, an optional resource to guide Climbers through the lesson, and digital Career Climb.
2. Arrange a computer lab or laptop cart, or instruct your group to bring their own devices with internet connectivity.
3. *Optional:* From the Coach platform, assign the **Budget Smarts** Career Climb to your group. This will allow you to track their progress from your dashboard.

## Warm-Up

1. Introduce the topic of financial management by posing the following “Puppy Payday” scenario: Imagine you just received \$5,000 for finding and returning someone’s very beloved lost dog. How would you handle this unexpected payday? Suggested prompts:
  - *What are at least three specific ways you would use this money?*
  - *What positive outcomes could come from receiving this money?*
  - *Can you think of any downsides to this unexpected money?*
  - *How do you think the pet owner could afford such a large reward?*
2. Have a few Climbers share their thoughts.
  - Did anyone mention paying taxes or buying essentials, like groceries?
  - Did anyone mention saving some or all of their money? For what?
3. Emphasize that there is no single “right” way to use money, but that everyone can benefit from being thoughtful about what they spend and save. Even when it comes to unexpected money, it’s a good idea to strike a balance between enjoying it now and saving some for when you might really need it.
4. Briefly outline what will be covered in the lesson, including:
  - **Identifying your money personality**, and how aligns with your values
  - **How to balance a budget**, so you can both enjoy money and reduce stress
  - **Setting saving goals**, because not every month includes a Puppy Payday

## Guide a Career Climb

1. Explain that how they responded to the above scenario relates to their “money personality,” or how you tend to approach managing finances. Highlight that knowing your personality can help you strike a smart balance between saving and spending.

2. Direct Climbers to the Hats & Ladders platform to start the **Budget Smarts** Career Climb, which consists of four Ladders:
  - **What's My Money Personality?** (6 Mins)
  - **What's a Balanced Budget?** (6 Mins)
  - **Smart Budget Tips** (4 Mins)
  - **Tips for Setting Reasonable Savings Goals** (7 Mins)
3. Climbers can complete the entire Career Climb **at once**, or they can **pause** to share out takeaways and questions along the way.
4. Before assigning the activity, have them review and reflect on what they've learned from the Career Climb in small groups or as a class. Suggested prompts:
  - *Why do you think knowing your Money Personality might be helpful?*
  - *Has anyone tried keeping a budget before? Was it a monthly or annual budget? How did it go?*
  - *If you are new to budgeting, would you be more likely to use the 50-20-30 Rule or the Zero-Sum budget?*
  - *Do you think saving money is a "need" or a "want"?*
  - *Is "saving for college" a SMART Goal (No, because it's not specific, measurable or timebound) What IS an example of a SMART Savings Goal?*

### Activity: Customize a Monthly Budget

1. Have Climbers independently read the instructions on the [activity handout](#), or have a volunteer read them aloud.
2. Climbers apply what they've learned about balanced budgets to complete a worksheet in which they must identify which essential expenses apply to them, and indicate whether these expenses are fixed or variable.
  - *Note that certain costs like phone bills might be fixed or variable depending on which plan a person has.*
3. Climbers also are asked to identify their non-essential expenses and group them into categories of "wants."
  - *Optional extension: have groups work together to come up with categories for non-essential expenses ("wants") using the expenses they listed in Step 2.*
4. Finally, they use the information from the worksheet to modify a [Monthly Budget Template](#) into a personalized tool they can use to track their monthly expenses, and check their balance to make sure the numbers add up.

- *Note that, in respect for their privacy, this activity does not ask Climbers to fill out the budget worksheet with their actual income or expense amounts. You can encourage them to use the tools and tips they have learned to do this at home.*

## Wrap-Up

1. Connect back to the “Puppy Payday” scenario to emphasize that how to manage money will differ from person to person, based on their values, circumstances and influences from family and others. However, figuring out how to balance a budget applies to everyone.
2. By practicing organizing expenses into “needs” and “wants,” and being mindful of which are fixed and variable, you are better able to accurately report your monthly expenses and see if your numbers add up. Other smart tips include:
  - *Treat savings like a regular monthly expense*
  - *Prioritize debt payments*
  - *Cut out non-essentials if you are spending more than you are earning or not saving*
3. Final prompt:
  - *Given what you have learned and practiced about budgeting, would you change anything about your response to what you would do with a sudden extra \$5,000 of earnings? Would you save or spend more than you initially thought?*

## Assessment

- To evaluate the **Climbers’ understanding** of the lesson, use the provided **rubric** to score activity submissions on a scale of 1 to 4 for each criterion.

## Modifications

- If you do not have access to devices, have Climbers complete the digital Career Climb at home.

## Activity: Customize a Monthly Budget

Use this worksheet to identify which essential and non-essential categories of money you spend in a typical month. Then, use this information to help you modify a simple monthly budget suited to your needs and wants.

**Step 1:** Indicate which **essential monthly expenses** apply to you, and whether the expense occurs every month (fixed) and or comes less often (variable).

Category	Expense	Fixed or variable?	I have this expense...
<b>HOUSING</b>	Rent or mortgage		
	Renters or home insurance		
	Utilities (gas, electric)		
	Internet, cable, phone		
<b>FOOD</b>	Groceries and household supplies		
	Other food expenses		
<b>TRANSPORTATION</b>	Subway/train/bus fare		
	Rideshares		
	Gas for car		
	Parking and tolls		
	Car payment and/or insurance		
	Car maintenance		
<b>HEALTH</b>	Health insurance		
	Medicine		
	Other health (eg. dental, vision)		
<b>PERSONAL &amp; FAMILY</b>	Childcare		
	Child Support		
	Money given or sent to family		
	Essential clothing and shoes		

	Laundry		
<b>FINANCES</b>	Loan payments		
	Fees for cashier's checks and money transfers		
	Bank or credit card fees		
	Savings or Retirement Fund		
<b>OTHER</b>	School tuition and fees		
	School supplies		

**Step 2:** Make a list of the **non-essential expenses** you typically spend each month, and then try to group them into a few categories of non-essential “wants.”

*Example: Streaming subscriptions (fixed) and music concerts (variable) could both be grouped under the non-essential category of “Entertainment.”*

**Step 3:** Modify this simple **Monthly Budget Template** by deleting rows for expenses that do not apply to you, and by adding rows for expenses from Step 2. Try to keep the budget organized with “essentials” at the top and “wants” at the bottom.

To use this monthly budget to manage your own finances:

- Select month
- Enter the amount of your total monthly income, including wages and other earnings
- Enter all of your monthly expenses, and then enter the sum in total monthly expenses
- Check your balance: do you have money to spend or save, or do you need to cut expenses?

## Rubric: Customize a Monthly Budget Template

Criteria	1: Needs Improvement	2: Developing	3: Proficient	4: Exemplary
<b>Identification of Monthly Expenses</b>	Did not complete either column of the expenses worksheet.	Began filling out the worksheet, but left many rows blank so that it is not clear which expenses apply to them.	Filled out both worksheet columns, but sometimes struggled to label an expense as “Fixed” or “Variable.”	Fully completed the worksheet, and accurately categorized expenses as “Fixed” and “Variable.”
<b>Modification of Monthly Template</b>	Did not open or try to access the monthly budget template.	Reviewed the template, but did not make any modifications to reflect their own expenses	Modified the template either by deleting expenses that did not apply to them and/or adding new expense categories.	Fully customized the template to meet their needs, and expressed confidence in their ability to use the template.