OBJECTIVES:

1. Assess personal spending patterns.
2. Describe the differences between wants and needs.
3. Develop a plan for paying one’s bills.
4. Identify parenting time activities that cost little or no money.

HANDOUTS:

1. The Ways I Spend Money
2. Expense Handout Cards
3. Expense Handout #1
4. Expense Handout #2
5. Needs vs. Wants Handout Cards
6. Needs vs. Wants
7. What Does Your WANT Cost?
8. “On The Path” Communication Handout
9. Sample Letter to Creditors
10. Take Home Message For This Session

ITEMS NEEDED FOR THIS EDUCATIONAL SESSION:

• Handout materials for participant workbooks
• Make up expenses cards and needs and wants cards before the session
• Scrapbooking materials
• Calculators for participants
• Flipchart and markers
• Pens and pencils
Tracking Expenses And Paying Bills

GETTING STARTED

An important step in shifting from having more bills than money is to set up a system of tracking expenses. Once you know where you are spending your money, you can identify changes that can be made.

In front of you is a set of cards. Each card contains an expense that most families have. Place the cards in order with those that you spend the most money on first or on top of the pile. Then write down on Expense Handout #1 in your workbook your ranking.

Now we are going to work with Expense Handout #2 that lists weekly expenses; separate each expense into the categories listed on Expense Handout #2. List your expenses next to each category on the handout.

[If you are attending the class with your partner, what was it like to do this activity together? Did you find yourself working together well or did you begin to get angry or impatient with each other? Did you try using the communication strategies you've been learning?]

ACTIVITY: Needs And Wants

[Reproduce the Needs vs. Wants pages on heavyweight paper, cut them into individual cards. If you are using this with an individual participant—have the individual sort through the cards and decide for him or herself which cards are needs and which cards are wants in their life. If you are using this activity with a group of participants—pass the cards out throughout the group and ask the students to raise their hands if they think the item on their card is a need.

An example: Cell phone service might be a good example. If you are job hunting, you need a phone to respond to ads and so that prospective employers can reach you. However, someone else living near a pay phone might feel phone service is a luxury, or a want.]
Not having enough money can be very stressful to you and your family. One way to stretch the money you have or your income is to look at how you currently spend your money. For your homework, we had you do this.

A good way to evaluate how you spend your money is to look at each expense as a want or need. A need is something you must have. It is essential for living. Some examples are a place to live, warmth, good health, clean water and food. A want, on the other hand, is something that is not necessary to survive. But you really desire it. For example, you might want a new car or a winter vacation or a fur coat.

To help us identify wants and needs, I am giving each of you a card (or several cards). I am going to ask of each of you to tell me whether you think the item written on the card is a want or need. Be ready to tell why you think it is a want or need.

[Have the participant(s) answer the following questions.]

- Why do you think your card is a need?
- Could it ever be a want?
- Is it possible your card is a need for some but a want for others?

Complete the handout: Needs vs. Wants. These needs and wants can be the same as the ones listed on the cards, or specific needs and wants that you have in your own life. Be sure to complete the second page of the handout in which you figure out the money your wants cost you each year. Use the calculator we have provided you.

(Example adapted from Oregon State University Extension curriculum—Money Matters)

- Do you feel like you can distinguish a need and a want after today?
- Will you spend your money differently because of knowing the difference? Because of what it costs to fulfill your wants?

- What power does this knowledge give you?

**ACTIVITY:**

**Paying Your Bills**

Next we are going to talk about a very real problem many of us have faced at some time in our life. Have you ever not been able to pay your bills on time? It might be because you were sick or unemployed or another reason. You may have found that the people you owed money to called you to pressure you to make a payment. Or they may have had a collection agency contact you to pay the bill.

How did you feel when this happened to you? How did he/she respond to your situation?

Any of us can face a situation where we cannot pay our bills. It is important that we show those we owe money to that we want to be responsible and meet our obligations. To help us do that we are going to learn how to talk to our creditors or to those to whom we owe money.

If you find yourself being contacted by bill collectors, a first step is to identify all of your past due bills. You want to make a list of these bills and write this information for each bill.

- Account number
- Name and address of the company
- Phone Number
- Amount of past due bill
- Person I need to talk to
- The problem I am or we are having

When you contact the business, you want to be sure to note the date and time of your contact. When you call them, be sure to be assertive but not defensive or angry. You are going to be asking them to work with you on getting the bill paid. Be businesslike. Let them know that if you were able, you would pay the bill immediately.
Whether you call them or contact them in person, you want to use these questions to guide your conversation:

- What do I want?
- What I need to know?
- What questions do I need to ask?
- Action to be taken:
  - By Me?
  - By Them?
- Do we need to meet or talk again?

An important thing you want to consider is talking to those you owe money to early. Contact the companies that have past due bills and write down all information you discuss and decide on. Be sure to get the name of the person that you talked to at the company. This communication handout is also good to use when talking to anyone of importance when you want to record the conversations. This could include a medical provider, your child’s other parent, child’s teacher, etc.

A sample letter to a creditor is also provided; you can adapt this letter to your own personal needs.

**ACTIVITY:** Scrapbook And Homework

Participants will create a page for their workbook that will display activities they can do with their children for free or very little money. This activity is to have participants explore more low-cost ways to spend their parenting time with their children. It will also give them an opportunity to look at ways to save money.

**Examples:** go to the park, go to a museum, or find a free kids matinee.

Give participant the take-home message for this session and have them write down their action steps on the take-home message. Remind them to place the take-home message in the magnetic frame.

**CLOSING:**

You worked hard today examining your spending and identifying the difference between your wants and needs. Whether you call them or contact them in person, you want to use these questions to guide your conversation:

- What do I want?
- What I need to know?
- What questions do I need to ask?
- Action to be taken:
  - By Me?
  - By Them?
- Do we need to meet or talk again?

Contact the companies that have past due bills and write down all information you discuss and decide on. Be sure to get the name of the person that you talked to at the company. This communication handout is also good to use when talking to anyone of importance when you want to record the conversations. This could include a medical provider, your child’s other parent, child’s teacher, etc.

A sample letter to a creditor is also provided; you can adapt this letter to your own personal needs.
The Ways I Spend Money

Which picture best represents the way you spend money every month?

**What I have**

**What I spend**

1. **I usually have extra money leftover at the end of the month.**
   - ![Money Stack]
   - ![Money Stack]

2. **I usually meet all my expenses for the month, but I don’t have money for extras.**
   - ![Money Stack]
   - ![Money Stack]

3. **I usually can’t afford to cover my monthly expenses.**
   - ![Money Stack]
   - ![Money Stack]
Expense Handout Cards

INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

HOUSING EXPENSES
- Rent or Mortgage
- Property Taxes
- Property Insurance
- Utilities (Gas, Electricity, Water/Sewer, Garbage, Cable, Telephone/s, Pest Control)
- Home Furnishings/Equipment
- Household Maintenance and Repair

RECREATION AND ENTERTAINMENT
- Books, Newspapers, Magazines
- Movies
- Sports
- Hobbies, Supplies
- Vacation, Travel
- Pet Expenses

HEALTH CARE AND INSURANCE
- Medical and Dental Visits
- Medicine and Drugs
- Eyeglasses, Braces
- Special Medical Needs
- Health Insurance
- Disability Insurance
- Life Insurance

CONTRIBUTIONS AND CHURCH

TRANSPORTATION
- Car or Truck Payment/s
- Car or Truck Insurance
- Gas and Oil
- Maintenance and Repairs
- License Plate/s
- Public Transportation

FOOD
- Food at Home
- Food Away From Home
- Snacks
- Beverages
Expense Handout Cards

INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

**EDUCATION**
- School Supplies
- Tuition and Fees

**SAVINGS**

**CLOTHING AND PERSONAL CARE**
- Clothing
- Dry Cleaning and Laundry
- Cosmetics
- Shoes and Shoe Repair
- Hair Care
- Personal Care

**CHILD CARE**
- Child Care and/or Child Support Payments

**CREDIT PAYMENTS**
- Credit Cards
- Installment Loans
- Personal Loans
- Rent-to-Own Payments

**OTHER**
- Family and Friends
- Gifts
- Tobacco
- Alcohol
- Lottery
Expense Handout #1

Have each family member rank each of the categories listed below ranging from most money spent to the least amount of money spent.

<table>
<thead>
<tr>
<th>Family Member’s Name</th>
<th>Ranking By Family Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
</tr>
<tr>
<td>Clothing and Personal Care</td>
<td></td>
</tr>
<tr>
<td>Health Care and Insurance</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Recreation and Entertainment</td>
<td></td>
</tr>
<tr>
<td>Contributions and Church</td>
<td></td>
</tr>
<tr>
<td>Credit Payments</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Child Care</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>Family and Friends</td>
<td></td>
</tr>
<tr>
<td>Gifts</td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
</tr>
<tr>
<td>Alcohol</td>
<td></td>
</tr>
<tr>
<td>Lottery</td>
<td></td>
</tr>
</tbody>
</table>
After each category, list each expense you have.

<table>
<thead>
<tr>
<th>Category</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td>Food</td>
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<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Child Care</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong>: Family and Friends, Gifts, Tobacco, Alcohol, Lottery</td>
<td></td>
</tr>
</tbody>
</table>
**Needs vs. Wants Handout Cards**

**INSTRUCTORS:** Print cards on heavyweight paper and cut out along dotted lines.

<table>
<thead>
<tr>
<th>Card 1</th>
<th>Card 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Degree</td>
<td>Bus Pass</td>
</tr>
<tr>
<td>Car</td>
<td>High School Diploma</td>
</tr>
<tr>
<td>Four Bedroom House</td>
<td>Housing</td>
</tr>
</tbody>
</table>
Needs vs. Wants Handout Cards

INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

Cigarettes
Milk
Pickup Truck
Beer
Vitamins
Fresh Fruit
Needs vs. Wants Handout Cards

INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

- Clothing
- Cellular Phone
- Telephone
- Leather Jacket
- Food
- Steak
Needs vs. Wants Handout Cards

INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

Perm

Jeans

“Brand Name” Jeans

Shampoo

Soap

Toothpaste
INSTRUCTORS: Print cards on heavyweight paper and cut out along dotted lines.

- Toys
- Down Comforter
- Bed sheets
- Video Game Equipment
Needs vs. Wants

<table>
<thead>
<tr>
<th>NEED</th>
<th>WANT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What Does Your WANT Cost?

Per day?

Per week? (per day x 7 days in a week)

Per year? (per week answer x 52 weeks in a year)

Is there a less expensive option?
Complete one handout for each past due bill.

DATE: ........................................... ACCOUNT NUMBER: .........................................................

NAME OF COMPANY: ________________________________________________________________

COMPANY ADDRESS: ________________________________________________________________

COMPANY PHONE NUMBER: _________________________________________________________

PERSON I TALKED TO: ........................................................................................................

AMOUNT OF PAST DUE BILL: ............................................................................................

REASON BILL IS PAST DUE: ..............................................................................................

What I need to know:

What questions do I need to ask?

Action to be taken:

BY ME: .................................................................................................................................

..............................................................................................................................................

BY THEM: ............................................................................................................................

..............................................................................................................................................

Do we need to meet or talk again?
This sample letter is written in a way that business people recognize. Adapt the letter to your needs.

Creditor Address:
Your Address
Your Telephone
Date
RE: Your Account No.

Dear Sir or Madame:
During the past few months, our financial situation has declined. We realize that paying our bills on time is our responsibility. But there has been no money to pay you on a regular basis.

In an effort to help our situation, we have worked out a spending plan. The plan will help us pay our debts on a long-term, scheduled basis. You will receive $________ on a weekly/monthly basis beginning with the week of ________________.

The proposed schedule of payments is built upon our continuing at our present job. No increase in income is anticipated. If an increase does occur, payments will be increased appropriately.

We appreciate your written acceptance of this plan. In addition, please indicate smaller minimum payments, interest and late charge waivers or principle reductions that would be acceptable to you.

Thank you for your patience and cooperation.

Sincerely,
(Your Name—signed in ink and typed below)
Directions: Think of one step you will take before the next session and write it down in the space provided. In addition, write down the time, date, and location of the next session.

I put my children’s needs before my wants.

My Action Steps:


The Next Session:

DATE

TIME

LOCATION