

National Center on
Parent, Family, and Community Engagement


Financial Capabilities: Budgeting and Saving

Session 6 | May 6, 2021



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Your Session Console






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Learning Objectives

Develop	Explore	Explain	Demonstrate
<ul style="list-style-type: none">Develop confidence in discussing with families their budgeting and saving practices	<ul style="list-style-type: none">Explore ways to support families in setting realistic budgeting goals	<ul style="list-style-type: none">Explain how to connect small savings goals to big-picture dreams to improve families' economic mobility, including child savings accounts and college as a means of closing the wealth gap and breaking the cycle of poverty	<ul style="list-style-type: none">Demonstrate how to use tools and resources to help families budget and save, regardless of income level

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The Challenge of Saving

Considerations for families who don't feel they have the income needed to begin budgeting and saving:

- Focus on securing income:
 - Support families in accessing benefits
 - Support families to meet their employment goals
- Discuss the value of budgeting, no matter the size of the budget.

Resource Reminder

- Economic Mobility Toolkit for Head Start and Early Head Start: Key Topic 5
- Economic Mobility Toolkit for Head Start and Early Head Start: Key Topics 6-8

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Budgeting and Saving

A Foundation for Economic Mobility

Focus on budgeting and saving first.


Topics:

- Assessing banking options
- Tracking income and expenses
- Monitoring spending habits
- Incorporating savings into a budget

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Tools You Can Use with Families



June 2020

YOUR MONEY, YOUR GOALS

A financial empowerment toolkit


cfpb Consumer Financial Protection Bureau

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Discussing Banking with Families



- What do you need to make banking convenient and beneficial for you?
- What other factors might you discuss with a family choosing to open a bank account?

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Racism is baked into American financial systems.



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For hundreds of years, a race-based credit system, a race-based economy that excluded Blacks, created poor neighborhoods here and then rich neighborhoods there. And then the Civil Rights Act of 1968 happened and it put an end to legal discrimination.

From the book *The Color of Money* by Mehrsa Baradaran

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Discussion 

- What are some examples of how we know that the Civil Rights Act really solved for systemic racism?
- How do we know that it has not resolved for it?

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What Financial Products Are Available and How Do They Differ?

Traditional Financial Products	Credit-building Products	Predatory
<ul style="list-style-type: none">• Bank accounts• Credit cards• Investment portfolios• Life insurance policies	<ul style="list-style-type: none">• Secured credit cards• Credit builder loans• Lending circles	

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Discussion 

What are some examples of predatory financial products?

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Predatory Financial Products

- Pay-day loans
- High-cost tax preparation
- Rent-to-own stores
- Pawn shops

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Discussion




What are other examples you have seen or anticipate seeing of structural racism playing a role in families' financial goals?

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Budgeting

What exactly are we talking about when we say "budgeting"?

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Budgeting in Three Steps

- 1 Tracking Income
- 2 Tracking Spending
- 3 Creating Your Budget

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1 Tracking Income

Use this income tracker to plan the best times to save and to spend.

Month of _____

- Primary job
- Government program
- Disability benefit
- Financial support
- Additional
- Additional
- Additional

	Week 1	Week 2	Week 3	Week 4	Week 5
Primary job					
Government program					
Disability benefit					
Financial support					
Additional					
Additional					
Additional					

Weekly total: _____

Total income for this month: _____

- 1 Write in the names of any income and benefits that apply to you.
- 2 Fill out the table with the amounts you receive each week.
- 3 Total up each week's income.
- 4 Circle the payments that come at a predictable time and amount. This will show you the income you can count on each month.

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2 Tracking Spending

Use this **spending tracker** to consider what is important to you.

This month's spending:

	Cell phone	Child support	Eating out	Education & childcare	Entertainment	Gasoline	Health supplies	Health insurance	Household items	Housing & utilities	Pets	Transportation	Other
1													
2													
3													
4													
5													

Category totals:

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Total spending for this month:

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Instructions:

1. Get an envelope to collect your receipts.
2. Use the table to sort your spending into the categories below. Don't forget about bills you share with others.
3. At month's end, total up each category.

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3 Creating Your Budget

Ask families:

- When you think about your goals, what priorities emerge?
- What adjustments to your spending can be made to match these priorities?"

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Budgeting Tools

Make a Budget

Use this worksheet to see how much money you spend this month. Then, use this month's information to help you plan next month's budget.

Some bills are monthly and some come less often. If you have an expense that does not occur every month, put it in the "Other expenses this month" category.

MONTH _____ YEAR _____

My income this month

Income	Monthly total
Paychecks (salary after taxes, benefits, and check-cashing fees)	\$
Other income (gifts, loans for example, child support)	\$
Total monthly income	\$ 0.00

My expenses this month

Expenses	Monthly total
HOUSING	
Rent or mortgage	\$
Renter's, insurance or homeowner's insurance	\$
Utilities (like electricity and gas)	\$
Internet, cable, and phone	\$
Other housing expenses (like property taxes)	\$
FOOD	
Groceries and household supplies	\$
Meats and	\$
Other food expenses	\$
TRANSPORTATION	
Public transportation and taxi	\$
Gas for car	\$
Parking and tolls	\$
Car maintenance (like oil changes)	\$
Car insurance	\$
Car loan	\$
Other transportation expenses	\$

Make a Budget

Expenses	Monthly total
HEALTH	
Medicine	\$
Health insurance	\$
Other health expenses (like doctors' appointments and eyeglasses)	\$
CHILD CARE/FAMILY	
Child care	\$
Child support	\$
Money given or sent to family	\$
Clothing and shoes	\$
Laundry	\$
Childcare	\$
Entertainment (like movies and amusement parks)	\$
Other personal or family expenses (like beauty care)	\$
FINANCE	
Fees for credit cards, checks and money transfers	\$
Prepaid cards and phone cards	\$
Bank or credit card fees	\$
Other fees	\$
OTHER	
School costs (like supplies, tuition, student loans)	\$
Other payments (like credit cards and savings)	\$
Other expenses this month	\$
Total monthly expenses	\$ 0.00

Income: \$ 0.00 - Expenses: \$ 0.00 = \$ 0.00

Maybe your income is more than your expenses. The extra money left is like a profit.
 Maybe your expenses are more than your income. Look at your budget to find expenses to cut.

[Print Form](#)

September 2012 | Florida Trade Commission | CDM1000100

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Savings: Building a Habit




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Discussion 

- What do you think Mike did well in working on his savings goal?
- What might the scenario have left out or forgotten to consider?

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Savings in the Time of a Pandemic

Consider saving in the current context.

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Discussion



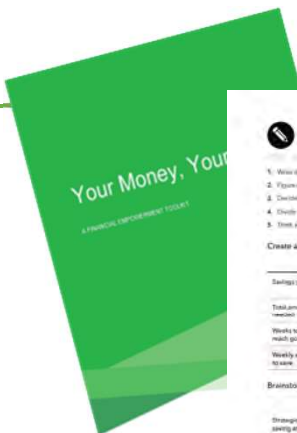
How can you open up the conversation with families about connecting extra income sources to long-term family goals?


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Savings Plan

- Define what families are saving for and how much they will need.
- Set a target date/deadline for a savings goal.
- Determine weekly saving targets.
- Decide where to save the money.





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Support Strategy: Make Your Objectives SMART

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant
- **T**ime-based

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Support Strategy: Make Your Objectives SMART

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant
- **T**ime-based

- Have you used this technique with families in the past?
- Have you found it helpful?

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Support Strategy: Make Your Objectives SMART

Two versions of a savings objectives:


Does this objective meet the SMART criteria?

- "I will build emergency savings."
- "I will save \$25 every paycheck by transferring it to my savings account automatically."

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Deciding Where to Save



Finding a place for savings helps ensure it's there when you need it

1. Determine the benefits and costs of each place to keep your savings
2. Weigh the advantages and disadvantages of each place to see if you can afford to keep your savings there

	BENEFITS	RISKS	QUESTIONS / WAYS
<p>Account at bank or credit union</p>	<ul style="list-style-type: none"> • Money is generally safe • Bank offers FDIC insurance • Usually allows you to open a \$0 opening deposit • Money can't be lost unless you're overdrawn • You can't generally get a check if someone steals the money • May require electronic means or a debit card 	<ul style="list-style-type: none"> • May be charged fees if you don't have the money for the interest and an opening deposit • May be difficult to compare interest rates • May have a history of previous banking 	
<p>Family member or friend</p>	<ul style="list-style-type: none"> • No costs to maintain it 	<ul style="list-style-type: none"> • Can be lost, stolen, or destroyed in a fire or natural disaster • Might put your friend or family member at risk of a home invasion • May put your money at risk if your friend or family member betrays your trust 	

Resource Reminder

- Your Money, Your Goals—“Find a place for savings” tool
- Economic Mobility Toolkit for Head Start and Early Head Start: Key Topic 4

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Savings and Asset Limits

GETTING STARTED

Saving and asset limits

If you receive public benefits there can be limits on how much you can have in assets before the benefits are cut off. It's important to understand these limits to make sure your savings goals don't affect the benefits you receive or applying for.

Assets are things you own that have value. Your money in a savings or checking account is an asset. A car, home, business inventory, and land are also assets. Each program has different rules about what counts as an asset and the total amount you can have. For others, each state determines its own rules. In general, your liquid assets (like cash or money in savings or checking accounts) are counted as assets. In some states, if the value of your car exceeds a certain amount that amount may be counted as an asset as well.

What to do

- Identify which public benefits the person you're working with currently receives or may be applying for in the near future.
- Use the webpages provided to figure out their state's specific asset limit for each program and write it on the tool.
- If you regularly work with people who receive public benefits, consider completing this tool in advance. Make copies and review it with the person.

A step further

Asset limit rules change regularly, so check the rules every year to make sure you have the most up-to-date information.

Learn how Saving and asset limits can affect your benefits

1. Select the programs that you're enrolled in or plan to apply for in the future.
2. Review the asset limit listed and learn more about each program's asset limit rules by visiting their website.

PROGRAM TYPE	PROGRAM	YOUR STATE'S ASSET LIMIT
<p>Disability</p>	<input type="checkbox"/> Social Security Disability Insurance (SSDI) ssa.gov/agency/contact	No limit
	<input type="checkbox"/> Supplemental Security Income (SSI) ssa.gov/agency/contact	\$
<p>Groceries and household expenses</p>	<input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) fns.usda.gov/snap/state-information/online-numbers	\$
	<input type="checkbox"/> Temporary Assistance for Needy Families (TANF) aclihs.gov/programs/taanf/help	\$
<p>Housing and home energy</p>	<input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) liheapdpc.acf.hhs.gov	\$
	<input type="checkbox"/> Public housing portal.hud.gov/hudportal/HUD?src=/states	\$

PROGRAM	YOUR STATE'S ASSET LIMIT
dcidaid.gov/medicaid/by-state/ Family Medicaid	No limit
dcidaid.gov/medicaid/by-state/ Medicare Part D Extra Help (Low Income Subsidy)	\$
dcidaid.gov/medicaid/by-state/ Medicare Savings Programs	\$
dcidaid.gov/medicaid/by-state/ State Child Health Insurance Program (SCHIP)	\$


consumer Financial Protection's Your Money, Your Goals. A resource has prepared this material as a resource for the public. It is not a replacement for financial advice or other sensitive information and does not constitute an offer of any financial product or service. The Bureau's educational efforts are not intended to provide any financial product or service. The Bureau does not collect this information and does not disseminate it to others. The Bureau does not collect this information and does not disseminate it to others. The Bureau does not collect this information and does not disseminate it to others. The Bureau does not collect this information and does not disseminate it to others.

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Key Takeaways

- Budgeting and saving are often the foundation of financial empowerment and longer-term financial goals. Developing skills in these areas will set families up for long-term success.
- Banking—and financial products and opportunities overall—has been influenced by systemic racism. Acknowledging this in our work with families is vital.
- Considering the context of the pandemic is vital in supporting families in budgeting and saving. Regardless of income, it's important to have conversations about budgeting and saving during the pandemic and about the habits they develop. Further, benefits from COVID relief bills will play a role in a family's budget.
- Budgeting and saving can be done in many ways. The goal is to support families to identify the best techniques and tools for them!

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Resources

- Bank On website
- Your Money, Your Goals toolkit
 - Finding a place for savings
 - Income and Benefits Tracker
 - Spending Tracker
 - Savings Plan
 - Savings and Asset Limits Tool
- Make-A-Budget worksheet
- Economic Mobility Toolkit for Head Start and Early Head Start
 - Key Topic 4: Building Wealth: Savings and Asset Ownership Programs
 - Key Topic 5: Accessing Federal and State Benefits
 - Key Topics 6–8: Partnering with Families to Reach Their Education and Employment Goals

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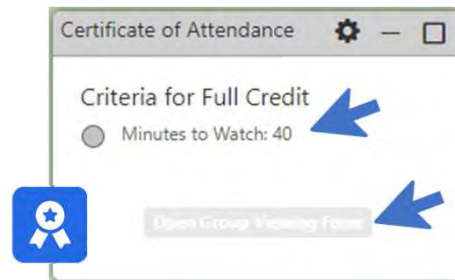


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Certificates, Session Resources, and Institute Survey

- Download your certificate of attendance and session handouts from the related content tool.
- Complete the Institute Survey at the end of the two-day event.



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Let's Get Vaccinated!
Head Start staff, let's move forward together!

The COVID 19 vaccine is:


- Safe for adults
- Effective
- Available in your area

#SleeveUp4HeadStart

A vibrant graphic for a vaccination campaign. The background is yellow with white polka dots on the left and blue on the right. At the top, the text "Let's Get Vaccinated!" is written in large, bold, blue letters with a white outline. Below it, "Head Start staff, let's move forward together!" is written in a smaller blue font. The central image shows a man in a light blue polo shirt holding a young girl in a yellow dress. To the left, there is a cartoon illustration of a woman in a blue uniform and a face mask, also flexing her arm. At the bottom left, there is a logo with the text "#SleeveUp4HeadStart".

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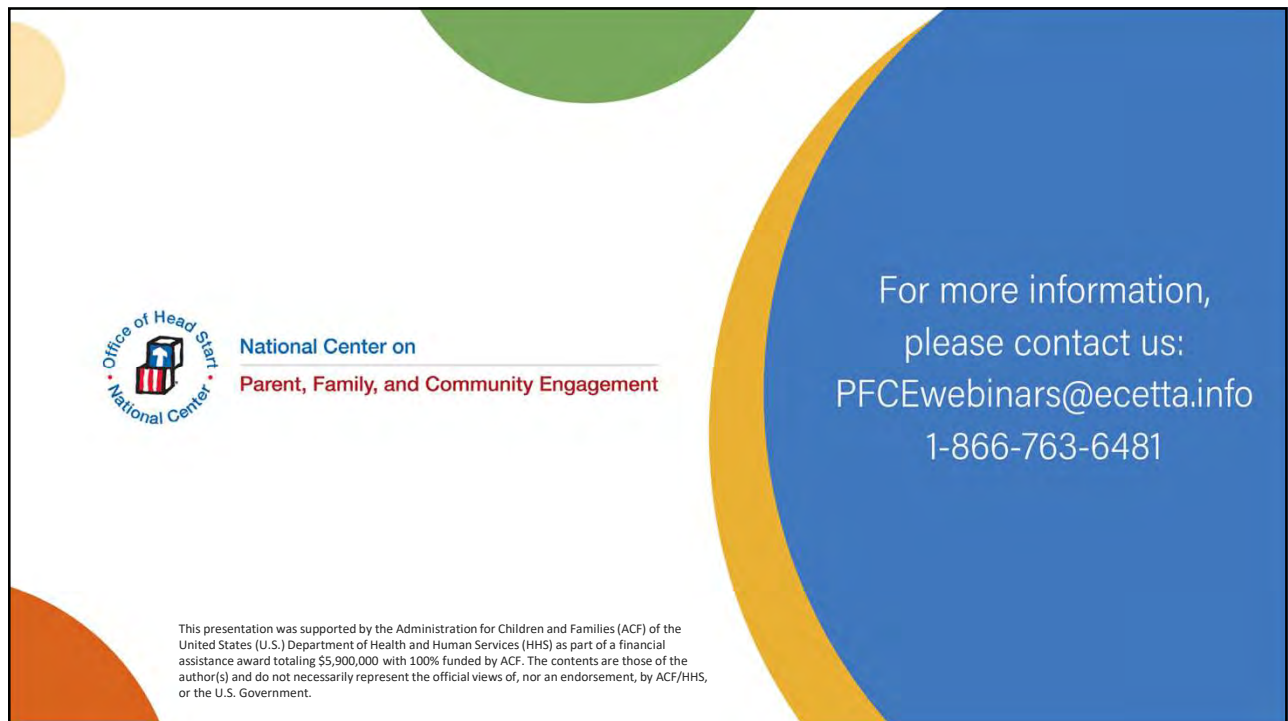
Self-care Break

Join us in the Engagement Hub.

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