

# Spend Some, Save Some, Share Some: Family Budgeting

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## Introduction

Many of you grew up with certain family guidelines or rules of thumb about how to manage money. Along the way, the financial landscape has changed and so have the expectations of what constitutes a “good life.” Financial educators are often asked how families *should* spend their money. Though not intended as prescriptive guidelines for households, expenditure data can provide a snapshot of how households actually spend their income. The best budget, or spending plan, is the one that supports individuals and families with enough detail on income and expenses for them to plan how they will spend, save, and share their money over time as they work to achieve their financial goals for the “good life.” This lesson provides information and tools to help participants move beyond general financial guidelines and rules of thumb and begin developing individual goals that are realistic for their lives, current financial situations, and goals for the future.

## Lesson Objectives

As a result of this lesson, learners will:

- » become familiar with data on how families actually spend their money;
- » review, and challenge their assumptions about traditional money guidelines;
- » clarify their vision of the “good life”; and
- » begin developing a realistic spending plan that makes sense given their current financial situation and goals for the future.

## Intended Audiences

Adults who want their spending, saving, and giving to support their goals.

## Before the Lesson

- » Review the *Spend Some, Save Some, Share Some:*



*Family Budgeting* fact sheet (MF3306) and leader's guide (MF3307).

- » Obtain copies of the fact sheet for each participant. Make copies of the materials for any of the activities you are using and the evaluation for each participant.
- » Assemble other supplies you may want to use (e.g. flip chart, markers), and gather materials needed for the activities in the lesson that you choose to do.
- » Become familiar with the references and resources for this lesson.
- » Arrange chairs in a circle or semicircle to encourage discussion and participation.

## Presenting the Lesson

Share the “ground rules” of the session with learners, adapted from *Making Your Money Work*, Purdue University Extension, Trainer's Guide (CFS-679G).

1. Respect the views of others.
2. Listen to each other.
3. Share feelings/thoughts.
4. Be open to new ideas.
5. Suspend judgment.

Summarize objectives. Ask learners if there are other issues they came to learn about. Make a list of those issued on a whiteboard or flip chart. Address them as time and knowledge allow. Offer to research issues as needed and respond to the participant after the lesson.

Present the lesson using the fact sheet and the information included there for content as well as the lesson activities and resources included in this guide.

Have learners complete and return evaluations to you. Enter results into PEARS (formerly K-PICS).

## Lesson Activities

### Activity 1 – Planning for Your Future Value Sort

Values are the principles and ideals a person lives by. This activity encourages participants to consider how their vision of the good life relates to their values, sorting items into order of importance to them. Make a set of value cards for each participant by making a copy of Activity 1: Planning for your Future Value Sort for each participant and cutting out the pieces. An easy way to prepare is to place each set in an envelope with instructions taped to the front (or on a label).

Instruct participants to independently arrange them in order of importance. Challenge participants to compare their ranked cards to their vision of the good life and to their current spending.

Comparing their ranked cards to their idea of the good life makes them aware of how their vision for the future relates to their values. This understanding can also help increase awareness of the connection between values and details of a spending plan or budget.

### Activity 2 – Budget Basics

There are many examples of budgets and ways to develop a spending plan. While general guidelines can be helpful, it is also important to remember that the “best” spending plan for an individual or family is the one that includes enough detail about income and expenses for them to plan how they will spend, save, and share their money over time.

Make a copy of Activity 2: Budget Basics for each participant and walk through how they might complete and use the worksheet. Emphasize that you understand that it can be challenging to get started if

participants haven’t ever thought about their income and expenses in this way.

While your income may be affected by many factors, you have the opportunity to choose how to spend, save, and share your money. If you choose to, you can make changes that support your goals for the future.

## Additional Activities and Resources

The Consumer Financial Protection Bureau (CFPB) recently released a series of consumer worksheets based on the concept of financial rules to live by. The goal of the worksheets is to help people create their own money rules related to savings, checking credit reports, and spending and budgeting. Details about the project and links to the worksheets are available at [http://files.consumerfinance.gov/f/201603\\_cfpb\\_rules-to-live-by\\_ideas-for-financial-educators.pdf](http://files.consumerfinance.gov/f/201603_cfpb_rules-to-live-by_ideas-for-financial-educators.pdf)

Would you like to increase your own knowledge of this topic and how you can work within your community? “Your Money, Your Goals” is a toolkit available from the Consumer Financial Protection Bureau designed to address different settings in which people or organizations work with consumers. Access the toolkit at <http://www.consumerfinance.gov/your-money-your-goals/>

## Community Awareness Activities

- » Talk with friends and family members about what you learned from attending a program on spending, saving, and sharing.
- » Place copies of the fact sheet in your local library and places people might wait such as doctor’s offices or hair salons.
- » Work with a local newspaper to sponsor one or more news articles related to the content of the lesson.

## Evaluation

An instrument template for this lesson is available in PEARS. To create your evaluation, first login to PEARS at <https://pears.oeie.org/accounts/signin/>

Then, looking across the tab navigation bar, go to the Evaluation tab and select Instruments. Click on the +Add button on the right-hand side. You should be on a page titled Add Instrument. Under Program areas, select Family Resource Management. Under



Instrument template, select Spend Some, Save Some, Share Some: Family Budgeting. Give your instrument a name and click on the +Create button. You can now edit, print, or delete your instrument.

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**Evaluation: Spend Some, Save Some, Share Some: Family Budgeting**

Directions: Read each statement in the center and, in the left half of the table, rate your confidence after attending the workshop. Next, think back to before the workshop and rate your confidence at that time.

| <i>After taking the workshop, do you:</i> |                    |                |  | <i>Before taking the workshop, did you:</i> |                    |                |
|---|--------------------|----------------|--|---|--------------------|----------------|
| Not at all confident                      | Somewhat confident | Very confident | Feel you have an understanding of how families actually spend, save, and contribute money? | Not at all confident                        | Somewhat confident | Very confident |
| Not at all confident                      | Somewhat confident | Very confident | Feel you have an understanding of best financial management practices?                     | Not at all confident                        | Somewhat confident | Very confident |

ACTION STEPS I plan to take as a result of completing this workshop (check all that apply)

- Clearly define my values and goals to help create a spending plan.
- Review and evaluate my financial practices.
- Talk with my spouse or significant other about our family spending goals.
- Reduce household spending to support my goals.
- Initiate or increase contributions to savings to support my goals.
- \_\_\_\_\_ (fill in the blank with personal goal)
- \_\_\_\_\_ (fill in the blank with personal goal)

**Spend Some, Save Some, Share Some: Family Budgeting**  
**Activity 1 – Planning for Your Future Value Sort**

Sort the pieces in the order of importance to you. There are a few empty cards for you to add something important to you that is not listed. Don't peek at each other's priorities! There is no right or wrong way for these items to be arranged.

|                                    |                              |  |
|------------------------------------|------------------------------|--|
| Type of housing                    | Access to medical care       | Living debt free                       |
| Saving for future wants            | Make and model of automobile | Personal care including nails and hair |
| Being healthy                      | The latest clothes           | Fun/entertainment                      |
| Gifts for others                   | Education for children       | Family trips                           |
| Home electronics and entertainment | Latest cell phone            | Church or other faith community        |
| Eat out occasionally               | Hobbies                      | Education for self                     |
|                                    |                              |  |

Adapted from: Haynes-Bordas, R., & Kiss, D. E. (2003). *Values sort activity, Handout, Session 1, Activity 3. Making Your Money Work Trainer's Guide* (CFS-679G). West Lafayette, Indiana: Purdue Extension.

## Spend Some, Save Some, Share Some: Family Budgeting

### Activity 2 – Budget Basics

Use the guidelines below to begin thinking about and creating your spending plan, keeping in mind that you will include details in your actual plan based on your fixed, flexible, and occasional expenses as well your personal goals. As you work on your plan, be sure that expenses are less than income!

|   |           |
|---|-----------|
| <b>Anticipated Monthly Income</b>                                 |           |
| Wages   | \$        |
| Child support/Alimony   | \$        |
| Cash assistance   | \$        |
| Other _____   | \$        |
| Other _____   | \$        |
| <b>Total Income:</b>  | <b>\$</b> |
| <b>Planned Monthly Spending</b>                                   |           |
| Savings – for Emergency fund                                      | \$        |
| Savings – for _____   | \$        |
| Rent/Mortgage   | \$        |
| Car payment   | \$        |
| Child care payment  | \$        |
| Debt payment (credit card, personal loan, home equity loan, etc.) | \$        |
| Set aside for occasional expenses                                 | \$        |
| Other _____   | \$        |
| <b>Fixed Expenses Total:</b>                                      | <b>\$</b> |
| <b>Flexible Expenses</b>  |           |
| Food at home  | \$        |
| Food away from home   | \$        |
| Personal care items   | \$        |
| Gas for car   | \$        |
| Household supplies  | \$        |
| Utilities   | \$        |
| Other _____   | \$        |
| <b>Flexible Expenses Total:</b>                                   | <b>\$</b> |
| <b>Total Expenses (Fixed + Flexible):</b>                         | <b>\$</b> |

## Spend Some, Save Some, Share Some: Family Budgeting Activity 2 – Budget Basics (continued)

### Planning for Occasional Expenses

Occasional expenses are those items that you buy or pay for periodically but not every month. Some examples are taxes, insurance, car maintenance, gifts, holidays, school supplies, and vacations.

Use the table below to chart your anticipated occasional expenses for the next year. Doing this provides a year-long view of the expenses you need to plan for in the months ahead.

Under each month, place expenses you expect in that month and the amount they will be, if you know. For expenses related to holidays, this is your opportunity to decide the details of your holiday celebrations and how much you will spend on them. Other possible expenses include: birthdays, taxes, magazines, car maintenance, insurance, school supplies, vacation, and gifts.

|        |           |          |        |
|--------|-----------|----------|--------|
| Summer | Fall      | Winter   | Spring |
| June   | September | December | March  |
| July   | October   | January  | April  |
| August | November  | February | May    |
| Total: | Total:    | Total:   | Total: |

Total Yearly Occasional Expenses \_\_\_\_\_ / 12 = \$ \_\_\_\_\_ per month

One way to avoid being surprised by an occasional expense is to estimate the yearly cost for an item and divide by 12 to get an average monthly cost. Include that amount of money each month in your spending plan. For most of us, it is helpful to actually put this money into a savings account until it's needed.

Adapted from: Owens, A. J., Haynes-Bordas, R., & Fucik, S. (2003). *Avoiding Surprises: Occasional Expenses. Making Your Money Work Participant Text and Workbook for Financial Stability (CFS-679)*. West Lafayette, Indiana: Purdue Extension.

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