



Educator Guide

Making Your Money Work: Stop Spending Leaks

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Objectives for this Lesson:

- Identify Spending Leaks
- Learn Strategies to Reduce or Eliminate Spending Leaks

Resources for this Lesson:

- Educator Guide: *Making Your Money Work: Stop Spending Leaks*
- PowerPoint Presentation: *Making Your Money Work: Stop Spending Leaks*
- Content Guide: *Stop Spending Leaks* PDF
- Work Sheets:
 - *Weekly Spending Log* Work Sheet
 - *Contract Plan to Reduce Spending* Work Sheet

Participant Packets Should Include:

- PowerPoint Presentation Handout (3 slides per page) - *Making Your Money Work: Stop Spending Leaks*
- All Work Sheets Listed Above

Key Points**For Educator: What to Say****For Learner:**

Slide #1: Making Your Money Work: Stop Spending Leaks	Introduce Yourself.	Participant Introductions.
Slide #2: Objectives: <ul style="list-style-type: none">• Identify Spending Leaks.• Learn Strategies to Reduce or Eliminate Spending Leaks.	Explain: By the end of this lesson, you will be able to identify spending leaks and learn strategies to reduce or eliminate your spending leaks. Spending leaks are areas in your budget that can lead to \$10, \$15, \$20 or more dollars wasted each month.	
Slide #3: Does Your Family: <ul style="list-style-type: none">▪ Always use a shopping list and plan how much can be spent before shopping?▪ Buy only items that are on the shopping list?▪ Compare price and quality before buying, especially on expensive purchases and things you buy often?▪ Use credit only when it is necessary?▪ Return poor quality or defective items?	Instructor Note: Read each of the questions on Slide #3. Ask participants to respond by show of hands. Allow participants the opportunity to comment on questions. Explain: You may notice there are some spending leaks you can correct by improving some of your shopping decisions. Spending leaks can be stopped. We will talk about how to stop these spending leaks this session.	Respond to questions by show of hands. Discussion: Participants' comments related to the questions asked.

Key Points

For Educator: What to Say

For Learner:

<p>Slide #4: Weekly Spending Log</p> <ul style="list-style-type: none">▪ Allows you to see where your money is going.▪ Provides a way to identify spending leaks.▪ Lets you see patterns developing.	<p>Explain: To take the first step in determining your spending leaks, you need to find out where your money is going. A weekly spending log will help you see where your money is going. It also provides a way to identify spending leaks and lets you see patterns developing.</p> <p>Explain: To give you feedback about some of your spending leaks, we have developed a <i>Weekly Spending Log</i> Work Sheet. For several weeks, write down everything you spend.</p> <p>Work Sheet Instructions:</p> <ul style="list-style-type: none">▪ Read the instructions to the participants.▪ Ask if there are any questions about completing the work sheet.▪ Acknowledge participants' responses. <p>Discussion Questions: <i>Before you have the chance to compete these work sheets, what do you think?</i></p> <ul style="list-style-type: none">▪ <i>Are you making too many unplanned purchases?</i>▪ <i>Do you spend a lot on food purchases?</i>▪ <i>Do you spend money at the mall regularly?</i> <p>Explain: By knowing your spending leaks, you will be in a better position to reach your spending goals. However, knowing your spending leaks is not enough. You must take action. We have 10 steps to help you stop your spending leaks.</p>	<p>Activity: <i>Weekly Spending Log</i> Work Sheet</p> <p>Participant questions.</p> <p>Discussion: Allow participants to share their own ideas about their spending leaks.</p>
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Key Points**For Educator: What to Say****For Learner:****Slide #5:
Stop Spending Leaks Tips**

1. Recognize "trigger locations" that put you in a spending situation.

2. Recognize "trigger surroundings" that tempt you to buy.

(Slide # 5 Continued on Next Page)

Instructor Note: Each of the 10 steps listed on Slides #6, #7 and #8 relate to the additional information in this column.

Time permitting: As you highlight each tip, allow the class to expand with their ideas, suggestions or personal stories.

1. Trigger locations include yard sales, flea markets, eBay sales and items in a store that always catch your eye. You must learn to recognize these "trigger locations" and decide if you should spend your money or save it.
 - Plan to shop yard sales only once a month.
 - Limit your eBay budget to a set amount of spending money and stick to it.
2. Trigger locations can be people, places or moods. You must learn to control the environment so you can shop wisely. Here are some other suggestions that might be helpful:
 - Plan your shopping.
 - Avoid exposing yourself to things that tempt you to spend.
 - Limit your number of trips to the store or the mall.
 - Don't shop when you are tired or stressed and might be tempted by buy to satisfy a different need.
 - Keep track of how often you eat out.

Discussion – Open class comments during Tips 1-10

Key Points

For Educator: What to Say

For Learner:

<p><i>(Slide # 5 Continued)</i></p> <p>3. Think before you spend money.</p>	<p>3. Think through the decision-making process:</p> <ul style="list-style-type: none">▪ What are my financial goals and priorities?▪ Will this help me reach my important goals? What are my alternatives?▪ Comparison shop.▪ Compare the alternatives.▪ Make a decision and take action.▪ Evaluate your decision.	
<p>Slide #6: Stop Spending Leaks Tips</p> <p>4. Be patient.</p> <p>5. Make family spending rules.</p> <p>6. Use an incentive plan to help you follow a budget.</p>	<p>4. Learn to be patient. Consider the following:</p> <ul style="list-style-type: none">▪ Learn to say "no."▪ Look now and buy later.▪ Look around before you buy.▪ Sleep on your decision overnight. <p>5. Make family spending rules. Consider the following:</p> <ul style="list-style-type: none">▪ Use your budget to guide your spending.▪ Don't spend more than you can afford.▪ Shop with a list. <p>6. Reward yourself for following the shopping rules, but do not overspend on the special treat. Example: If you take a brown bag lunch to work all week, treat yourself to lunch out on Friday.</p>	

Key Points

For Educator: What to Say

For Learner:

Slide #7:

Stop Spending Leaks Tips

7. Keep credit purchases to a minimum.
8. Buy from reliable dealers.
9. Reduce waste.
10. Substitute your time, talent and resources for money.

7. Keep credit purchases to a minimum or none at all. Think about what credit will cost and how else you might use that money.
8. Research the dealers from whom you may make purchases. It is important to buy from reliable dealers. Keep all purchase records. If a problem occurs, be sure to make a complaint.
9. Throwing away useful items (re-printable paper, pens, pennies, food), spending extra due to excessive use (water, lights, automobile), or abuse or lack of care of products (not winterizing your air conditioner, leaving lawn furniture out in bad weather) all leads to wasted money.
10. Do it yourself if you can. Learn how to mend your clothes, fix your lawn mower or haul your trash to the dump yourself rather than paying for garbage disposal.

Question: What other ways do you substitute your time, talent and resources for money?

Transition Statement: These 10 tips can be very effective in helping you stop your spending leaks. Keep in mind, that you will have to work hard to change your behavior.

Discussion: Participants share how they substitute their time, talent and resources for money.

Key Points

For Educator: What to Say

For Learner:

Slide #8: Behavior Modification

- Break an Old Habit.
- Practice Self-Control.
- Start Today!

Explain: Psychological research indicates that it takes 21 days to break an old habit and form a new one. So, begin by choosing one spending leak you want to change and work on it until you succeed. Then move on to the next one. For example, you might start by making family spending rules and request that everyone stick to the family budget for one month. If you and your family succeed, you might decide the next month to limit your eBay purchases to one per month.

Practicing self-control can sometimes be a slow process. It is important that you decide what you are willing to give up, and then set some goals for yourself. If you are not willing to give up your eBay shopping today, then consider giving up a movie one or two nights a month. Set a goal to only go to the theatre one time each month rather than every weekend.

Finally, don't wait until tomorrow to start spending your money more wisely. Start today!

Explain: Taking control of your spending leaks requires determination and a commitment. This contract helps you identify where your spending leaks are and allows you to put your goals in writing. Completing this contract will help you stick to your goals and help you to control your spending leaks. Practice it daily. Do something every day to reach your goal.

Good money management means getting the most for your money. Look at your spending leaks today. Are you getting the most for your money?

Activity: *Contract Plan to Reduce Spending Work Sheet*

Key Points

For Educator: What to Say

For Learner:

<p>Slide #9: Summary</p> <ul style="list-style-type: none">▪ Identified Spending Leaks.▪ Learned Strategies to Reduce or Eliminate Spending Leaks.	<p>Lesson Summary: Congratulations! You have completed <i>Stop Spending Leaks</i> in this Money Management series of classes.</p> <p>We've covered a lot of information, including identifying spending leaks and learning strategies to reduce or eliminate spending leaks</p> <p>Question: <i>Are there any questions?</i></p>	<p>Participant Questions.</p>
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