



# Take Control of Your Finances: Plan for Your Future

## *Instructor's Guide*

This guide has been prepared to assist you in preparing to present the three session format of the Financial Literacy Course developed by the COCPA Financial Literacy Committee. The guidelines provided here are based on the experience of committee members who conducted the course at Warren Village in Denver. Thank you for your contribution of time to increase financial literacy. Based on the experience of the committee members, the experience will be very rewarding to you personally - as CPAs, financial literacy outreach is a valuable service we can provide to individuals from all walks of life.

**Overview:** This course utilizes a workbook developed by the COCPA Financial Literacy Committee and Habitat for Humanity/Colorado. The format used at Warren Village was three 1½ hour sessions over a four-week period; depending on the group you are working with, the number of sessions and the duration can be adjusted.

The three topics covered include:

- Setting and achieving financial goals
- Developing your spending plan
- Establishing your credit

**Course description:** Having control over your spending habits takes you one step closer to being in control of your life. Do you feel like you never have enough money to get ahead? Do you have a financial plan for your future? Would you like one-on-one help in developing a spending plan? This course will provide tools you can use to achieve your financial goals.

### ***Administration of the course:***

1. If using multiple instructors, coordinate ahead of time to ensure there is no duplication in presentations.
2. Designate a person to obtain supplies (flip chart, markers, pens, give-aways, name tents, etc.) and ensure they are available for each session.
3. Designate a "lead instructor" for each session. This individual will lead discussions and activities and will be responsible for bringing props for the session discussion, such as food items for the comparison shopping discussion in Session Two.

4. Workbooks will be provided by the COCPA (contact Liz Julin at the COCPA at [ljulin@cocpa.org](mailto:ljulin@cocpa.org)) two weeks before the first scheduled meeting.
5. This guide anticipates using Subtopics #1 - #3 in the workbook; there are additional topics in the book that include debt and savings plans, tax laws, and insurance; these can either be referenced as supplemental reading material or taught as an additional session, depending on the needs of the participants.
6. Schedule at least two instructors per session (for Session Two, it is recommended that the ratio be at least one instructor for three participants).

***Teaching tips and techniques:***

1. Learning styles: Students vary in the ways that they best learn; in order to reach most students, varying the methods of presenting information is a sound approach. When planning your sessions, consider incorporating some of the following tools to engage the participants. All tools don't need to be used in a single session; pick a few that seem to work with the content and try them.
  - a. Visual learning (video, illustrations, diagrams, and flow charts on a flip chart or white board, Power Points, mind mapping, etc.);
  - b. Verbal learning (notes on a flip chart, the workbook, and the lecture part of the classes);
  - c. Active learning (discussions based on open-ended questions, role play situations, small group work on an exercise, activity using props such as play money);
  - d. Reflective learners (homework to encourage them to apply what was discussed in class);
  - e. Sensing learning (provide a "road map" for developing a spending plan, which is included in the workbook);
  - f. Intuitive learning (provide some guidance and reference the applicable parts of the workbook, but rely on the participants to apply the information to their own experience and situation to determine what process will work for them);
  - g. Sequential learning (provide an overview of what information will be covered in the session along with the general steps used to cover the material, a summary at the end of the session, then open with a review of the prior session at the beginning of the next session);
  - h. Global learning (relate participants' experiences to the information to be covered; this is a good way to introduce a subject because it establishes why a subject is relevant to the students).
2. Adults want to learn because they have a need for knowledge that will enable them to better cope with life-changing events in their lives. They prefer a practical approach to applying the concepts to their problems.

3. Adults will learn most effectively when they can integrate new ideas with what they already know. Using participants' experiences to illustrate the concepts discussed will increase their understanding of the material, their ability to apply the information in the course, and their engagement in the class.
4. Start the course by soliciting expectations from the participants. This provides information on what is important to the participants, and provides an opportunity to include the information requested in the course or to address the exclusion up front. In addition, instructors may want to use this opportunity to specify norms for conduct in the class (treat others with respect in discussions and group work, showing up on time, completing homework, etc.)
5. Keeping in mind that students learn different ways, keep lectures fairly short and use discussions and work in small groups to apply the information presented.
6. As the course progresses, continue to review information covered previously, to reinforce the knowledge and to provide clarification as needed, and how all of the content fits together.

### *Session One: Setting and Achieving Financial Goals*

What are your goals: Being debt-free, owning a home, purchasing a vehicle, getting an education? You must have a plan. A plan lets you control your destiny rather than be a "victim" of random choices. "A failure to plan is a plan to fail." This session will help you develop your personal plan by using, "Four Simple Steps for Setting Financial Goals." Learn how you can achieve short-, mid-, and long-term goals all at the same time. Explore the difference between wants and needs.

#### *Suggested activities for Session One:*

1. Sample case study - Page 2 of the workbook contains "Martin's Story"; depending on the participants, this may be a good opening to start with.
2. Include a pretest - Page 2 of the workbook contains nine questions to assess areas participants need to work on to build a strong financial future; depending on the participants, this may be helpful to survey participants on areas they particularly need help with and what the sessions should focus on.
3. Discuss what each participant hopes to gain/get out of the program; this activity stimulates discussion and provides the opportunity to acknowledge whether or not the expectations are within the scope of the course.
4. Small group sessions to assess participants specific situations, "share their stories"
5. Talk about and select/choose a Money Buddy.
6. Include discussion on spending and goal setting
7. **Homework:** Track income and expenses in a designated notebook.
8. Include "teasers" about next session
9. Include an evaluation (and time to complete)

## *Session Two: Developing Your Spending Plan*

Before you can start on a new course, you need to devise a plan. Rather than a budget, create a **Spending Plan**. Think of a spending plan as a financial roadmap to take you where you want to go. It puts you in control and on the road to accomplishing your goals. The first step to develop the spending plan is to figure out what your income and expenses are for a month. Once you know where you currently are, you have the information to decide if you need to adjust your course to meet your goals.

This session will help you identify where all of your income comes from and where it all goes through your expenses. You may be surprised how much money you spend on wants that are getting in the way of paying for needs. We will also begin our discussion of the importance of a good credit score, and how a credit score is determined.

### *Suggested activities for Session Two:*

1. Review Session One, including soliciting input from participants on what insights they had.
2. Add a discussion for sharing ideas, ways to trim expenses, alternatives to lower expenses (rent a DVD vs group movie night)
3. Refer to Creative Ideas for Lowering Expenses at the back of the workbook and have participants share two examples of ideas they would adopt.
4. Discuss or include an exercise on comparison shopping (consider use of food stamps).
5. Begin discussion on FICO, sample credit report...to be continued in Session Three. Consider distributing a sample credit report to begin the discussion and generate interest in participants obtaining their own credit report.
6. **Homework:** Obtain free credit report from [www.annualcreditreport.com](http://www.annualcreditreport.com), or by calling 1-877-322-8228 and bring it to Session Three
7. Include "teasers" about next session
8. Include an evaluation (and time to complete)

## *Session Three: Establishing Your Credit*

Poor spending habits lead to poor credit. Have you ever stopped to think what having BAD CREDIT is costing you? Did you know that you pay additional fees due to a bad credit rating? One estimate is that a bad credit rating can cost the average person \$750 a month - that's \$9,000 per year or \$750,000 in a lifetime because of extra charges caused by a low credit score. Excessive interest, higher insurance rates, and lower paying jobs are just a few of the results faced by people with credit problems.

In this session, we'll continue the discussion of the anatomy of a credit rating and the standard method used in calculating a credit score. We'll look at simple steps you can take to increase your credit score.

*Suggested activities for Session Three:*

1. Review Session Two
2. Meet with attendees to determine how they are doing with spending plan, either one-on-one, or two participants to one instructor
3. Include discussion on credit and FICO scores, including an explanation of its components and how to fix/improve scores
4. Wrap-up should include an ending that sends participants off to success such as each participant writing down and sharing two small changes they have made or will make to improve their financial future. If not implemented yet, when will they do it? Another example - have participants share an "aha" moment from the course.
5. Include an evaluation (and time to complete)
6. Distribute pig banks, etc.

*Wrap-up:*

Please provide feedback to the Committee (COCPA Deputy Director Liz Julin, at [ljulin@cocpa.org](mailto:ljulin@cocpa.org)) on the success of the course and the relevance and value of the materials provided (workbook, the instructor's guide). Your feedback will help us improve the course for future courses. Thank you for your contribution of your time and knowledge to improving financial literacy.