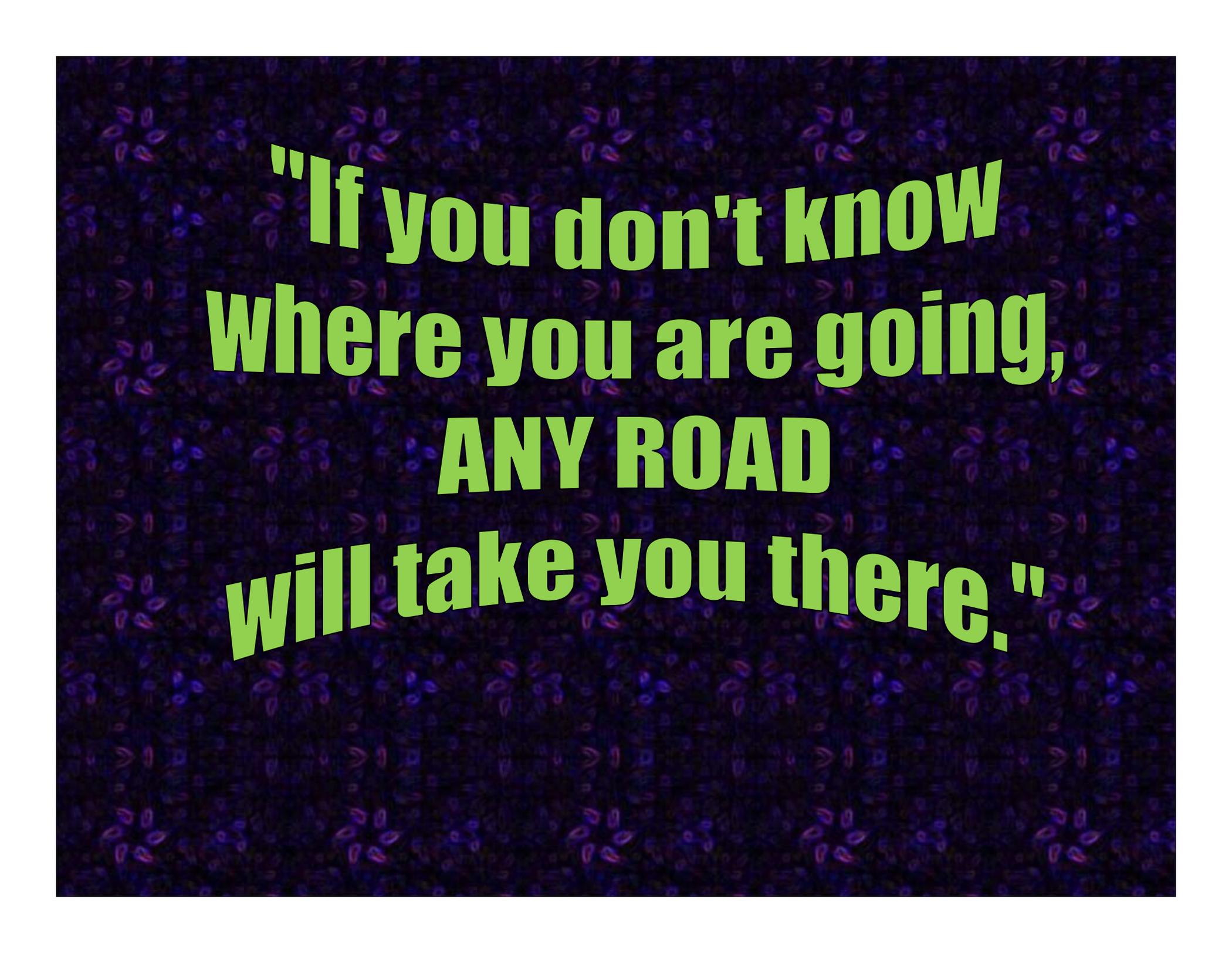


Money Matters: Making Decisions, Making Money, Budgeting, Banking Services, Saving and Investing, Credit, Buying a Home, Cars and Loans, Consumer Awareness, Consumer Privacy, Advertising

Financial Planning





**"If you don't know
where you are going,
ANY ROAD
will take you there."**



Picture Questions

1. Who else is in the car?
2. What is in the trunk?
3. How far down the road will you travel?
4. Why did you choose this road?
5. What was the last thing you did before getting in the car?
6. What will you do first when you get there?
7. If you went down this same road again, what would you do different?
8. The picture of the sheep will be displayed. “What unforeseen obstacles might be ahead?” Take 2 more minutes to analyze what feelings this driver is experiencing.
9. “Was this driver prepared?” How much different would his experience be with a full tank of gas?
10. Running low on gas? What if a passenger was injured? How does that differ than if he was 2 blocks from home?

You are guaranteed to have difficult and challenging times in their financial lives. The only thing they can do to make those experiences more bearable is to start planning for them now!

Financial Planning

- More than budgeting
- More than investing
- Financial planning is a thinking process that helps achieve goals.
- A blueprint or plan for managing all components of a person's money.
- Arranging to spend, save, and invest money to live comfortably, have financial security, and achieve goals.



Components of a Financial Plan

- Goals
- Net Worth Statement
- Budget
- Insurance Plan
- Savings Plan
- Investment Plan



Benefits of Having a Financial Plan

- You have more money and financial security.
- You know where to use money to achieve your goals.
- You have less chance of going into debt you cannot handle.



How do I make a Financial Plan?

1. Determine your current financial situation.

Make a list of items that relate to your finances:

- Savings/Investments
- Monthly Income
 - (Job Earnings, Allowance, Gifts, Interest)
- Monthly Expenses
- Debts



How do I make a Financial Plan?

2. Develop your financial goals.

Consider your attitude toward money.

Ask yourself the following:

- How do I determine if it is more important to spend money now, or save it for the future?
- How do your personal values affect your financial decisions?



How do I make a Financial Plan?

3. Identify your options.

- Continue the same course of action.
- Expand the current situation.
- Change the current situation.
- Start something new.



Benefits of Having a Financial Plan

4. Evaluate your alternatives.

*Consider the **risks** and **consequences** of each decision you make.*

- Be aware of all sources of financial information.
- Evaluate consequences of choices, both good and bad.
- Understand risks involved with choices.



Financial Planning

5. Create and use your financial plan of action.



How do I make a Financial Plan?

6. Review and revise your plan.

*As we get older and our circumstances, our finances, needs, and wants will change, therefore, **our financial plan must be flexible** as well.*

