



Income, expenses and budget module

Trainer's introduction

The skills to control your personal income, expenses and budget are the most basic tools that people need in their financial toolkit. But many people prefer to avoid thinking about budgets. This module gives a simple, step-by-step approach to balancing income and expenses that everyone can use.

(Mini-module 1 starts with identifying personal needs and wants, and how to set spending priorities. Mini-module 2 looks at sources of income, including what to do when you have an unexpected loss of income. Mini-module 3 looks at expenses, and gives tips for reducing them. Mini-module 4 puts income and expenses together in an overall budget. It also demonstrates a simple cash management system using envelopes to keep expenses within a budget. Mini-module 5 asks participants to set some goals and calculate the savings they will need to achieve them.

Learning objectives

After completing the module, learners will be able to:

- Explain why it is important to distinguish needs from wants in their own personal finances
- Explain that needs and wants change over time and vary from one person to another
- Identify their personal expenses as needs or wants, and set priorities among their different needs and wants
- Identify their gross income from all sources and deductions from their gross income
- Identify their total expenses in general terms and break them into various fixed and variable expense categories
- Use a systematic process to track their personal income and expenses over time
- Use a statement of their income and expenses to prepare a balanced current budget, including savings for security and for their goals
- Identify ways to reduce their everyday expenses



- Identify some personal goals for the short, medium and long term and state them in a realistic and achievable way
- Adjust a personal budget to allow them to achieve a simple goal

Materials/equipment required

- Copies of selected mini-modules or activities for participants
- PowerPoint file: Income, expenses and budget
- PowerPoint projector and screen
- Internet connection (if using)
- For each group in Mini-module 4 (see following):
 - 18 x \$100 simulated dollar bills
 - 10 x \$20 simulated dollar bills
 - 7 x \$10 simulated dollar bills
 - 6 x \$5 simulated dollar bills
 - 6 blank envelopes

Time required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	• 10 minutes	• Activity 1
1: Needs and wants	• 20 minutes	• Slide 6 • Activity 2 (My needs, wants and priorities)
2: Income	• 30 minutes	• Activity 6 (My sources of income)
3: Expenses	• 40 minutes	• Activity 10 (My monthly expenses) • Activity 11 (How to reduce your spending)
4: How to budget	• 20 minutes	• Activity 13 (My monthly budget) OR Activity 14 (The envelope budgeting system)
5: Budgeting to reach your goals	• 30 minutes	
Action plan	• 10 minutes	• Activity 19









Suggested activities and PowerPoints

Use the slides and the online modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*

Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

Slide 1: Income, expenses and budget title page

Income, expenses and budget

Slide 2: Agenda

Start time: _____
Break time: _____ (10 minutes)
End time: _____

Please set phones to silent ring and answer outside of the room.

Activity Icebreaker: How do you make spending decisions?

Have participants complete the worksheet, How do you make spending decisions?, in the Needs and wants mini-module. Review their responses by asking questions such as the following:

- Do you think your rating is accurate? Why or why not? Did it surprise you? How?
- How do you think the kind of decisions you make affects your spending?
- Is managing your money more about learning spending tips or learning about yourself?

Extend the discussion by asking questions such as the following:

- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about managing your income, expenses and budget?



- If there's one thing you could already tell your best friend about managing your income, expenses and budget, what would it be?

Conclude the activity by summarizing some things people already know. Explain that the session is going to build on what people know to help participants manage their money more effectively.

Slide 3: Income, expenses and budget

This module covers:

- How to decide what's really important when you spend money
- How to calculate income after deductions are taken off your paycheque
- How to track your expenses and reduce them if you need to
- How to prepare a realistic personal or family budget
- How to plan your finances to achieve your goals

Mini-module 1: Needs and wants

Slide 4: Title slide: Needs and wants

Needs and wants

Overview

Slide 5: Needs and wants

This section covers:

- How to tell the difference between needs and wants
- How to set spending priorities
- What your usual spending habits are

Slide 6: Needs, wants and priorities

- **Need:** a necessity, something required, something essential for life
- **Want:** a desire, something wished for, something non-essential



- **Priority:** something that you have to do first because it is more important than other things
 - 1 = items that are essential for healthy living
 - 2 = items that are not essential but are important
 - 3 = items that are not essential and not important

Deciding Needs, wants and priorities

Activity My needs, wants and priorities

Have participants form pairs or groups of three or four, review the items on the My needs, wants and priorities worksheet and discuss whether they are needs or wants and what priority they should have.

Have participants write their own rating on the worksheet for each item.

Point out that needs, wants and priorities vary from one person to another, and from time to time.

Have the groups estimate the cost of the priority 2 and 3 items and talk about what they could do if they shifted the money they would cost to priority 1 items.

Prompt discussion by asking questions such as the following:

- What happens if you don't have a clear idea about what's a need, a want and a lower priority when you are spending?
 - **Answer:** You may end up spending money on less important things and have less money for the things you really need.
- You often can't use a formal system to evaluate needs, wants and priorities when you are spending. How can you keep a sense of what's important?
 - **Answer:** Set aside the money you require for needs and other important items first. Ask yourself before buying how important an item really is. Make a list and stick to it.
- How can you overcome the psychological impulses to buy things that may not be a good financial choice?
 - **Answer:** Focus on the benefits of being financially disciplined, achieving your goals, making good long-term choices, etc.

Activity How do you make spending decisions?

If you skipped the Icebreaker activity, How do you make spending decisions?, do the activity now.

**Activity Summary of key messages**

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 7: Summary of key messages

- Needs are essential for life; wants are other things
- Balance your needs and wants
- Priorities focus on things you really need and want
- Awareness of personal factors like emotions, habits and behaviours can help control your spending

Mini-module 2: Income**Slide 8: Title slide: Income**

Income

Overview**Slide 9: Income**

This section covers:

- How to understand your paycheque
- How to calculate your total income from all sources
- What to do if your income drops unexpectedly



Sources of income

Slide 10: Understanding your paycheque

Earnings	Rate	Hours	Earnings this period	Year to date
Regular	17.00	64	1,428.00	6,845.95
Deductions				
	Income tax		- 184.90	1,105.99
	EI		- 25.42	159.02
	CPP/QPP		- 70.69	404.49
	Other			
Full deposit			1,146.99	
Net pay			\$1,146.99	

Activity Understanding your paycheque

Have participants form groups of three or four and list the earnings and deductions on the sample paycheque (on the slide and in the Income mini-module).

Have participants identify items on the paycheque including:

- Earnings for the period
- Net pay
- Year to date
- Employment Insurance deductions
- Federal, provincial and territorial income taxes
- Canada/Quebec Pension Plan
- Other deductions

Ask participants what other payments or deductions they might see on a paycheque; e.g.:

- Vacation pay
- Deductions for union dues, health benefits, group insurance plans, private pensions, voluntary savings plans, etc.

Ask participants to explain whether they think it is better to have deductions taken from their paycheque at source, or to make the necessary payments themselves when needed, and why.

- **Answer:** Many people do not set aside the money they need for pensions, taxes and similar expenses, so some agencies arrange for the employer to collect the payments.



Slide 11: My sources of income

[Click here to view worksheet online](#)

My sources of income

In addition to your job, you may have other sources of income. Use this chart to identify all your sources of income. Then calculate your total monthly and yearly income. You may want to collect recent pay stubs and income tax statements to get accurate figures.

Source	How often paid	Net income	Net annual income
Employment income <input type="text" value="1"/>	Daily	<input type="text"/>	\$ \$0.00
Bonuses	Daily	<input type="text"/>	\$ \$0.00
Tips or commissions	Daily	<input type="text"/>	\$ \$0.00
Income from investments	Daily	<input type="text"/>	\$ \$0.00
Government payments <input type="text" value="2"/>	Daily	<input type="text"/>	\$ \$0.00
Self-employment <input type="text" value="3"/>	Daily	<input type="text"/>	\$ \$0.00
Work-related retirement or disability pension	Daily	<input type="text"/>	\$ \$0.00
Insurance payments		<input type="text"/>	\$ \$0.00

Activity My sources of income

Review the screenshot animation with participants. Then have them estimate the figures to fill in the My sources of income worksheet in the Income mini-module. Discuss participants' responses by asking questions such as the following:

- Were there any sources of income you have that you had forgotten about?
- Were there any possible sources of income that you could pursue?
 - **Answer:** E.g.: Selling things you don't need, renting out a room, using a hobby to make income, optimizing investment income.
- Why is it important to list sources of income on a worksheet?
 - **Answer:** It's easy to make an error or overlook things when you guess your income. This can lead to spending money you don't have, or not using your money wisely.
- What's the difference between the sources of income listed and money you receive from loans, cash advances or selling something you own?
 - **Answer:** Money you get from loans, advances or selling your assets are not income because it is either something you have to pay back or something you already have.

Have participants complete the worksheet after the session using actual figures from their own records.



Activity Replacing lost income

Have participants form groups of three or four and list ways to replace lost income if you lose your job or cannot work for a time.

Show the slide, Replacing lost income, and review it with the participants.

Have the groups discuss which gives the most security if you lose your income.

Discuss the items on the slide by asking questions such as the following:

- Which items on the list are easiest to use in an emergency?
 - **Answer:** Usually savings, as most of the others have conditions or waiting periods. (Many people use credit cards or a line of credit as a quick means of cash, although they are not actually income.)
- What's the best way to prepare for an emergency?
 - **Answer:** Build up a savings fund of three to six months' income for emergencies.
- How long could you and your household continue if your income ended suddenly?

Emphasize that replacing lost income requires a serious and immediate look at finances. Give participants the MAPOUT worksheet following to review their income replacement options when they need it.

Slide 12: Replacing lost income

- **Workplace and government plans**
 - Employment insurance
 - Unpaid salary or vacation pay
 - Social assistance plans
- **Disability or loss of income insurance**
- **Savings**
- **Property**
- **Loans**

MAPOUT: Options When You Lose Your Income

Replacing lost income requires a serious and immediate look at your finances – *before* you get into trouble. Map out your options by answering the questions below as a guide.

M – Magnitude of the problem



How bad is the situation? How much income do you need to make up? Is it short-term or longer?

A – Assets you can draw on

What cash and savings do you have? What investments or assets could you sell if necessary? What personal skills or talents could you use? (Avoid loans if possible – they could make things worse.)

P – Priorities

What are the most important things to spend on and protect? E.g., healthy eating, health care, mortgage?

O – Options to make ends meet

Where can you cut spending? Can you eliminate some expenses? Can you reduce any? What expenses could you put off until later? How could you raise more income (short-term and long-term)? Can community resources help (community or government programs, support networks, etc.)?

U – Unexpected emergencies

What unexpected emergencies are likely to come up? Can you avoid them by planning ahead or buying insurance? Can you set aside even a little for emergencies? Who can you turn to in a real emergency?

T – Timeline for managing cash flow

What income can you count on? What must you spend on in the next month? How long will your assets last if you cut spending to a minimum? How long will the situation continue?

Adapted from University of Georgia Cooperative Extension.

Slide 13: Summary of key messages

- A job is the main source of income, but there are others
- Deductions are taken off paycheques for taxes, social programs, etc.
- Net income is what you take home after deductions
- Set aside money for an emergency fund

**Activity Summary of key messages**

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Mini-module 3: Expenses**Slide 14: Title slide: Expenses**

Expenses

Overview**Slide 15: Expenses**

This section covers:

- How to get a true picture of what you actually spend
- How to reduce your expenses and put aside money for savings and other financial goals

Slide 16: Know what you spend

- Keep every receipt
- Record every expense every day
- List irregular expenses (gifts, donations, taxes, repairs, etc.)
- Total your expenses at the end of the month
- Do this for at least three months

Controlling spending**Slide 17: Reduce unnecessary spending**

- Save your money for essentials



- Focus spending cuts on non-essentials (discretionary spending)
 - Easier to cut back on non-essentials
 - Even small daily savings add up
 - E.g.: Save \$5 a day = \$1,825 a year

Activity Cutting back my discretionary spending

Have participants brainstorm suggestions for cutting back discretionary spending, then fill in the Cutting back my discretionary spending worksheet in the Expenses mini-module. Review the worksheet, using Slide 18, Cutting back my discretionary spending, if necessary, and discuss participants' responses by asking questions such as the following:

- What items on the worksheet would be easiest for you to do?
- What items would be hardest?
- What "Other" ways to save did you think of?
- What are some examples of things you could do with the money you save by cutting back on discretionary spending?

Slide 18: Cutting back my discretionary spending

Please refer to complete list in the Expenses section of the Income, expenses and budget module.

[Click here to view worksheet online](#)

Cutting back my discretionary spending			
Use this worksheet to mark areas where you could cut back. Calculate how much you would save per week and per month. Then write down what else you could do with that money.			
	Average cost	# times per week	Weekly savings
Bring lunch instead of eating out	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00
Take transit instead of driving	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00
Use a reusable water bottle instead of buying bottled water	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00
Make my own coffee instead of buying coffee or cappuccino	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00
Ride-share with a colleague instead of driving alone	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00
Buy none or fewer each week: cigarettes, candy bars, after-work snacks	<input type="text"/> \$	<input type="text" value="1"/>	\$0.00



Slide 19: Tips to reduce expenses

- Do it yourself
- Eat at home
- Shop smarter: buy on sale, in bulk or package discounts
- Cut out anything you don't use (e.g., sports club)
- Use less energy (turn off, turn down switches)
- Walk, cycle, take transit
- Find cheap recreation (entertain at home, go to free events, etc.)

Tracking expenses

Slide 20: Calculating your expenses

Track your spending to gain control

- **Fixed expenses:** the same every month
- **Variable expenses:** you can cut back more easily
- **Irregular expenses:** come up through the year
- **Unplanned expenses:** surprises you can't plan for

Activity My monthly expenses

Have participants work to fill in the My monthly expenses worksheet in the Expenses mini-module. Point out that they will probably not be able to fill it in completely until they have more information about their expenses.

If necessary, model how to fill in the worksheet using the online interactive form at itpaystoknow.gc.ca.

Discuss their responses by asking questions such as the following:

- What expenses could you cut if you wanted to reduce your budget?
- Why are variable expenses easier to adjust than fixed expenses?
 - **Answer:** Fixed expenses are often set in a contract or service agreement, and not easy to change until the contract ends. They are not fixed absolutely, but they take more time and are sometimes expensive to change. You can adjust variable expenses just by deciding not to spend as much.
- Why is saving listed as an expense?
 - **Answer:** Saving is not the same as other expenses where your money is gone when you spend it. But it's good to think of savings as money you put aside so that it's not available for spending. (Pay yourself first.)
 - Money for unexpected and emergency expenses should be saved in a special account where it will be available when you need it.



Have participants gather any additional information they need to complete the worksheet after the training session.

Activity Video: How to reduce your spending

Screen the video, How to reduce your spending.

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- How could you use the spending tips in the video to help you reduce your total expenses?
- Are there any other places that aren't mentioned in the video where you can reduce expenses? What are they?
- How does reducing your spending help you to meet future goals?
 - **Answer:** You can put the money you don't spend somewhere that it will accumulate and earn income.
- What makes it harder for you to reduce your expenses? How can you overcome these challenges?

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?



Slide 21: Summary of key messages

- Expenses may be fixed or variable
- Track your daily expenses
- Include irregular and unexpected expenses
- To reduce unnecessary spending:
 - Avoid impulse buying
 - Make easy lifestyle changes
 - Make smart shopping choices
- Put money for unexpected expenses in a special account

Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Mini-module 4: How to budget

Slide 22: Title slide: How to budget

How to budget

Overview

Slide 23: How to budget

This section covers:

- How to compare income with expenses in a household budget
- How to adjust your budget to balance it or even achieve a surplus
- How to set up an envelope or jar system for different categories
- How to keep your budgeting system up-to-date and realistic



Slide 24: Budgets

- A comparison of income and expenses
- An organized way to manage your money
- Income minus expenses equals surplus or deficit

Monthly budget systems

Slide 25: My monthly budget

[Click here to view worksheet online](#)

My Monthly Budget

Enter your total monthly income and total monthly expenses. Then subtract your expenses from your income to see if you have a surplus or a deficit. You can also use the [Budget Calculator](#) from the Financial Consumer Agency of Canada, a useful and complete interactive tool to create your household budget.

Income	Amount per month (\$)
Employment income (after deductions)	0.00 \$
Bonuses	0.00 \$
Tips or commissions	0.00 \$
Government payments (Canada Child Tax Benefit, EI, CPP/QPP, etc.)	0.00 \$
Self-employment	0.00 \$
Gifts	0.00 \$
Grants or scholarships	0.00 \$

Activity My monthly budget

Review the worksheet with participants.

Have participants work to fill in the My monthly budget worksheet in the How to budget mini-module.

Point out that they can use their completed Income and expenses worksheets to fill in the data. They may not be able to fill it in completely until they have completed those worksheets.

Discuss their responses by asking questions such as the following:

- What can you do if you have a budget surplus?
 - **Answer:** Pay down debt; boost your emergency fund; increase your monthly savings; invest for future expenses.



- What can you do if you have a budget deficit?
 - **Answer:** Cut back discretionary expenses; shop for or negotiate lower prices; increase your income with a better job or another job.
- How can you use this worksheet to better manage your expenses?
 - **Answer:** You can identify if you have a monthly surplus or deficit. You can use that information to decide if and where you need to adjust your income or expenses to balance your budget.

Have participants adjust their budget worksheets to get a balanced budget after the session, using actual figures from their own records.

Activity The envelope budgeting system

Divide participants into pairs or groups of three or four. Have each group carry out the following steps.

- Give each group six envelopes and have them write the following titles on them: Fixed payments; groceries and eating out; clothing; entertainment; household; miscellaneous.
- Explain that \$2,100 is their monthly take-home pay. Give each group \$2,100 in simulated dollar bills. (They would normally receive it in a direct deposit, but for this planning activity, they will use the whole amount in cash.)
Note: If your group is mainly family members, you may want to give them another \$1000 to cover expenses for a family of four.
- First, they have to make their fixed monthly payments. Have participants take the following sums from their income and set it aside in one envelope marked "Fixed payments."
 - \$700 to rent
 - \$350 for monthly bills (transit pass, cell phone, utilities, etc.)
 - \$200 for debt repayments
 - \$200 to a savings account
- This leaves \$650 to provide for other expenses over four weeks, or approximately \$162.50 per week. Explain that this is all the money they have to live on for the month, so they can move it around, but if they run out, there is no more until the following month.
- Have the groups discuss how to divide the remaining amount to provide for their monthly spending, and place the amount they choose in one of the five remaining envelopes. (Groups can choose whether they prefer to divide the expense money into a weekly or monthly sum.)

Have some groups report how they divided up the money.

Discuss their responses by asking questions such as the following:

- Were there significant differences between the decisions of different groups? Why?



- If some groups divided their money into weekly envelopes, and some into monthly envelopes, which do they think would make it easier to manage their money?
- What happens if you run out of money in one envelope before the end of the month?
 - **Answer:** You can take money from another envelope, but the other envelope may then be short.
- What can you do if you want to buy something that costs more than you have in your envelope, such as a coat that costs \$150?
 - **Answer:** You can cut back on another area, or save the money in one envelope until a later month to get enough.
- How can you use the envelope method to better manage your expenses?
 - **Answer:** You can see from week to week if you are spending too much, and stop when there is no more money in an envelope.
- How does the envelope system compare with a written system?
 - **Answer:** The written system gives you a better overview, with more details. The envelope system is easy to use to control day-to-day spending.
- Could you use this system, or a system like it, to manage money in your own life?

Slide 26: Keep your budgeting system alive

- Budgeting is an ongoing activity
 - Check that income and expenses are correct
 - Keep up your savings and debt repayment
 - If you are moving toward a deficit (or surplus), see where you can make changes

Slide 27: Summary of key messages

- A budget compares income and expenses
- If you have a surplus, repay debt and increase your savings
- If you have a deficit, reduce your spending or increase your income
- Use a written system or an envelope system to manage spending, or both
- Check your budgeting system to keep it up to date and realistic



Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Mini-module 5: Budgeting to reach your goals

Slide 28: Title slide: Budgeting to reach your goals

Budgeting to reach your goals

Overview

Slide 29: Budgeting to reach your goals

This section covers:

- How to identify short-, medium- and long-term financial goals
- How to define your goals so they are achievable
- How to use your budget to help you reach your goals

Budgeting to reach your goals

Activity Video: Budgeting to reach your goals

Screen the video, Budgeting to reach your goals.

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Why is it important to have SMART goals?
 - **Answer:** SMART goals make it easier for you to plan how to save for the goal, to measure your progress, and decide if you have to change your strategy to reach it.



- What are some examples of SMART goals?

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?

Activity Budgeting to reach my goals

Have participants work individually or in pairs to fill in at least one short-term, medium-term or long-term goal in the Budgeting to reach my goals worksheet in the Budgeting to reach your goals mini-module. Point out that they may not be able to fill it in completely until they have more information about the cost of their goals.

If necessary, model how to fill in the worksheet using the online interactive form at itpaystoknow.gc.ca.

Discuss their responses by asking questions such as the following:

- How does the worksheet make it easier to reach your goals?
 - **Answer:** It helps you estimate the amount you need to save each month, so you can keep track of whether you will have what you need.
- What can you do if you think the monthly savings needed for your goals are more than you can save?



- **Answer:** Increase your income or reduce your spending so you will have more to save; delay your goal so you will have more time to save; adjust your goal to something that needs less money.

Refer participants to the Goal Planner Tool in the Savings module Action Plan, where they can work out how much to save for a range of short-term, medium-term and long-term goals.

Slide 30: Summary of key messages

- Set short-, medium- and long-term financial goals
- Set goals that are SMART:
 - Specific
 - Measurable
 - Achievable
 - Realistic
 - Time-framed
- Break your goals into monthly savings
- Adjust your finances to meet your monthly savings goals

Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Action plan

Activity Action plan

Have participants review the Action plan, using Slide 30, Action plan, if necessary.

Have participants check off any action that they may need to take.

Ask participants to decide when and how they will take the action they need.

Ask if any participants are willing to share their plans for action.



Extend discussion with questions such as the following:

- What's the first step you need to do to better manage your income, expenses and budget?
- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of problems with managing your income, expenses and budget do you need more information about?

Slide 31: Action plan

Income, expenses and budget checklist			
Use this checklist to make sure you are balancing your income and expenses and making progress toward reaching your financial goals.			
Step	I'm OK	Needs work	Where to find more information
I add up my net income from all sources.	<input type="radio"/>	<input type="radio"/>	My sources of income worksheet
I record my daily expenses and calculate what I spend each month in various categories.	<input type="radio"/>	<input type="radio"/>	Know what you spend My monthly expenses worksheet
I check my discretionary spending regularly and cut back if necessary.	<input type="radio"/>	<input type="radio"/>	Cutting back my discretionary spending worksheet
I reduce my expenses by negotiating better plans for my banking services, credit cards and telecommunications services.	<input type="radio"/>	<input type="radio"/>	Make your money go further
I use a balanced monthly budget. If my budget doesn't balance, I look for ways to reduce my expenses or increase my income.	<input type="radio"/>	<input type="radio"/>	My monthly budget worksheet
I manage my monthly expenses by using an envelope system or staying within	<input type="radio"/>	<input type="radio"/>	The envelope