

Education Content Created By



# Your money adventure

## 02: Lay of the land



# Facilitator Guide

## 02: Lay of the land

### Purpose

The purpose of this facilitator guide is to provide an overview for 02: "Lay of the land." Use this guide in conjunction with the 02 PowerPoint slides and speaker notes to prepare for your second session with participants. This guide includes speaking points to help you ask questions and prompt discussion to generate responses. In addition, there are suggested facilitator notes and a glossary to help maximize the session.

### Module description

In this module, participants are introduced to saving concepts. They learn how to analyze needs and wants and categorize fixed and variable expenses to reach goals. Compounding interest is introduced so that participants can review potential differences with savings vs. investing over time. Participants analyze Trey's budget to help him reach his savings goals and make changes to their own financial lives to reach their goals. Participants are encouraged to track spending for one week.

### Learning objectives

After completing this module, participants will be able to:

- Analyze personal list of expenses and identify needs and wants, universal needs and wants
- Understand how to categorize fixed and variable expenses
- Realize how categorizing savings as an expense may lead them to reaching their short-term and long-term goals
- Match savings types with goals
- Understand how compounding interest works
- Analyze potential differences in rate of return with saving vs. investing over time
- Review a teenager's budget to make recommendations to reach savings goals
- Make changes to their own financial lives to reach their own savings goals
- List all the ways they can save money
- Track their spending for the following week to prepare for the spending module

### What you'll need

To make the most of your time, you should have the following:

- Facilitator computer, LCD projector, 02: "Lay of the land" PowerPoint slides, presenter script (digital or paper), participant guides (digital or paper), participant computers (depends on instruction being on-site or virtual).

### Module time

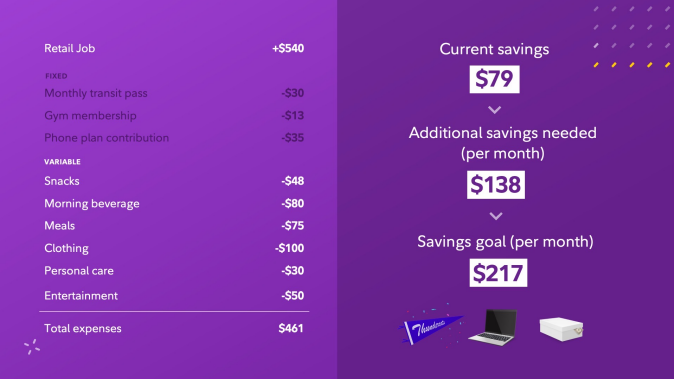
This module will take approximately 60 minutes. See slide 4 for specific timing breakdown.

# Process

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Use these prompts and speaking points to help facilitate the discussion.

Slide	Content	Speaking point
5	Welcome.	Welcome participants and check in with them.
7	Question: Who had a chance to explore more on social media?	<p>If <b>yes</b>, have participants point out some interesting things they discovered.</p> <p>If <b>no</b>, you can point out a few things you may have noted when you searched Fidelity's social pages, e.g., "I really like how seemingly hard concepts are simplified in this Fidelity post."</p> <p>Make it a point to generate discussion. Additional prompts include:</p> <ul style="list-style-type: none"> <li>• Do you use social media to learn about things you're interested in?</li> <li>• Have you seen financial information/education on the sites you use?</li> <li>• Or maybe something else about money popped up in your social media feeds and you noticed it instead of just scrolling by.</li> </ul> <p><i>Participant responses will vary.</i></p>
10	Session 1: List "All the things that cost money."	<p>Facilitator note: Add a screenshot of the list from Module 1 to this slide in advance of today's session. Then project the class list of expenses on the whiteboard.</p> <p>Prompt: Take what you see on this board and imagine these are your expenses.</p> <ol style="list-style-type: none"> <li>a. Divide these expenses into 2 categories—wants and needs.</li> <li>b. Question: What could we call out as a universal need on this list?</li> <li>c. Question: What could we call out as a definite want?</li> <li>d. Question: What on this list falls under that gray area? Perhaps it's a want for you now, but you can see it becoming a need in the future.</li> </ol> <p><i>Participant responses will vary.</i></p>

Slide	Content	Speaking point	Thumbnail																										
13	Question: Can you think of any celebrities who made a lot of money but spent it all too fast?	<i>Participant responses will vary.</i>																											
14	Match the savings type to the different savings goals.	<ul style="list-style-type: none"> <li>a. Sneakers: short term goal</li> <li>b. Car: intermediate goal</li> <li>c. Cash: long term goal</li> <li>d. Phone: emergency</li> <li>e. Nest Egg: 401(k)</li> </ul>																											
19-23	<p><b>Trey budgeting scenario</b></p> <p>Slides 19-23 cover a use case for Trey. Trey is a 17-year-old high school senior who works part time at a local athletic store. He's excited about his senior year because he's got a lot to look forward to.</p>	<p>Senior Week activities are right around the corner.</p> <p>Trey just got accepted to his dream school.</p> <p>He worked hard to keep his grades up and can't wait to start college this fall.</p>	 <p>The screenshot shows a budgeting interface with a purple background. On the left, it lists income and expenses:</p> <table border="1"> <tr> <td>Retail Job</td> <td>+540</td> </tr> <tr> <td colspan="2"><b>FIXED</b></td> </tr> <tr> <td>Monthly transit pass</td> <td>-30</td> </tr> <tr> <td>Gym membership</td> <td>-13</td> </tr> <tr> <td>Phone plan contribution</td> <td>-35</td> </tr> <tr> <td colspan="2"><b>VARIABLE</b></td> </tr> <tr> <td>Snacks</td> <td>-48</td> </tr> <tr> <td>Morning beverage</td> <td>-80</td> </tr> <tr> <td>Meals</td> <td>-75</td> </tr> <tr> <td>Clothing</td> <td>-100</td> </tr> <tr> <td>Personal care</td> <td>-30</td> </tr> <tr> <td>Entertainment</td> <td>-50</td> </tr> <tr> <td><b>Total expenses</b></td> <td><b>541</b></td> </tr> </table> <p>On the right, it shows savings goals:</p> <ul style="list-style-type: none"> <li>Current savings: \$79</li> <li>Additional savings needed (per month): \$138</li> <li>Savings goal (per month): \$217</li> </ul> <p>At the bottom right, there are icons for a laptop, a printer, and a box, along with a 'Thirteen' logo.</p>	Retail Job	+540	<b>FIXED</b>		Monthly transit pass	-30	Gym membership	-13	Phone plan contribution	-35	<b>VARIABLE</b>		Snacks	-48	Morning beverage	-80	Meals	-75	Clothing	-100	Personal care	-30	Entertainment	-50	<b>Total expenses</b>	<b>541</b>
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Slide	Content	Speaking point
21	<p>Trey has the following expenses every month: student transit pass, cell phone contribution, and gym membership.</p> <p>Question: Are these fixed or variable expenses?</p>	<p>Response: Fixed expenses.</p>
22	<p>Question: If Trey makes no changes to his current spending, how much money does he have left over each month?</p>	<p>Response: \$79; income–expenses; <math>\\$540 - \\$461 = \\$79</math></p>
22	<p>Question: What are some questions you could ask Trey to take his point of view into consideration?</p>	<p><i>Participant responses will vary.</i> Possible questions:</p> <ul style="list-style-type: none"> <li>• Is there anything on this list that makes you happy?</li> <li>• What stood out as an area that you realized you may be spending too much?</li> <li>• Of all these wants, what is the most important and what is the least important?</li> </ul>
22	<p>Participants are to work in small groups and identify the categories Trey should reduce spending in to reach his savings goals.</p>	<p><i>Facilitator note: It's your choice on how to organize students (individual or small groups).</i></p> <p><i>Participant responses will vary.</i> Responses may include:</p> <ol style="list-style-type: none"> <li>a. Meals</li> <li>b. Morning beverage</li> <li>c. Entertainment (any of the variable expenses can be adjusted to reach the savings goal of \$217)</li> </ol>

Slide	Content	Speaking point
23	Question: Who wants to share first?	<p><i>Facilitator note:</i> Depending on time, ask 2–5 participants to share.</p> <p>Work out the math and narrate aloud as they're sharing—e.g., "Cut back on the after-school snacks? Narrow it down to 2x a week. OK, that's \$16 saved. Half that clothing budget? Great, so \$50 there. We're up to \$66 in savings already."</p> <p><i>Facilitator note:</i> When participants chime in, show the differences...ask about rationale...some participants may say, "I picture Trey as somebody who needs his coffee fix so even though it was a large expense, it was important to him, so I left it in and cut expenses in other places."</p> <p><i>Participant responses will vary. Possible responses may be:</i></p> <p>"Trey spends a lot on fun and entertainment, but I bet he could find some pretty great free stuff to do with friends, especially for just 3 months."</p> <p><i>Facilitator note:</i> Try and draw out these insights from participants. Or share some of your own insights to get them using their critical thinking skills.</p>
23	Question: Beyond what we've already said, do you have any other recommendations to help Trey reach his goals?	<p><i>Participant responses will vary.</i></p> <p><i>Facilitator note:</i> Invite discussion. If it doesn't come up, make sure to highlight how Trey could add to his income, maybe pick up a few extra shifts, babysit, walk a dog in his neighborhood, etc.</p>
24	Question: What are some ways you might be able to set aside some extra money for the goals you set for yourselves last week?	<p>Participants work in small groups/breakout rooms to develop responses. Group selects notetaker and presenter.</p> <p><i>Participant responses will vary.</i></p>

Slide	Content	Speaking point
25	Question: How'd that go? Did we come up with some good ideas?	<p><i>Participant responses will vary.</i></p> <p><i>Facilitator note:</i> If time is running short, have them pop a few ideas in the chat and call out a few.</p>
28	<p>Keep an eye out for how much stuff costs and track all your spending over the course of the next week.</p> <p>Or if you aren't spending it yourself, start to track even more closely things in your life that cost money or look at prices of things to get an idea of how much stuff costs.</p> <p>Write it all down and start to get a big picture of what everyday spending habits look like and how much stuff costs.</p>	Review this process with participants and answer any questions they may have.



### Closing comments

Thank participants for their time and let them know that they have now earned their eyes on the future virtual pin. They are now prepared for next week's lesson on spending. Remind participants to track their expenses during the week; if they find themselves not spending money, then ask them to look up/research prices and write them down.



# Glossary

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Term	Definition
<b>Compounding</b>	Compounding refers to the value of an investment increasing because the earnings on an investment are reinvested and earn additional interest as time passes.
<b>Emergency expense</b>	An emergency expense is an unforeseen expense that requires immediate funds (i.e., new phone, car repair).
<b>Emergency fund</b>	An emergency fund is money set aside and readily available to help cover unexpected urgent expenses.
<b>Fixed expense</b>	Fixed expenses are a budget category of monthly expenses that do not vary month to month.
<b>Intermediate goal</b>	An intermediate goal is one you set out to achieve that is longer than one year away but less than 3 years. Money may grow over time with investment earnings.
<b>Long-term goal</b>	A long-term goal is one you set out to achieve that is longer than 3 years. Money may grow over time with investment earnings.
<b>Match</b>	An employer match is money that your company may contribute to your workplace retirement plan. While there are many ways this can be calculated, in general, the employer may "match" up to a certain portion of the money that you save. For example, let's say your job offers a 4% match. If you chose to set aside 4% of your paycheck into your 401(k), your employer would contribute a dollar-for-dollar "match" of that amount.
<b>Needs</b>	Needs are an essential expense.
<b>Short-term goal</b>	A short-term goal is money set aside for something coming up soon, usually a year or less.
<b>Variable expense</b>	Variable expenses are a budget category of monthly expenses that vary from month to month.
<b>Vesting</b>	Vesting occurs when an employer allows employees to keep matching contributions to their workplace savings plan after a length of service or when a specific performance goal is reached.
<b>Wants</b>	Wants are an expense that may not be essential.
<b>401(k) plan</b>	Generally, a 401(k) plan is a workplace savings plan for investing and saving for retirement offered by many American employers that has tax advantages to the saver.

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