



Financial Literacy 101

Created for AFH Athletes

Helping you to be prepared to manage your finances after college.

There are so many aspects to the financial side of life! And a lot of the time, they're all equally important. Where money is concerned, people are usually facing multiple priorities at once. You'd like to check many things off your to-do list, but sometimes you might just need to do one thing to get going.

This course will cover some of the topics you may have been thinking about. Hopefully, this information will help you take the first step and move forward.

We'll focus on:

- [Starting out with a strong foundation, including establishing healthy financial boundaries](#)
- [Budgeting](#)
- [Saving and investing](#)

LESSON 1: STARTING OUT WITH A STRONG FOUNDATION

Completing college is a big step. You've done the work to prepare yourself for a career and higher earning potential. Your post-college life and having a full-time income comes with new experiences.

When you think about your financial plan for your future, it will reflect your unique values, needs and aspirations. At Thrivent, we use a tool called the "Financial House" to help you prioritize important goals, build a solid foundation and revisit your financial plan to track your progress over time. The content we'll cover in these lessons will align with the **foundation** of that Financial House.

We'll also introduce you to [MoneyCanvas](#)®. This **free financial coaching program** helps you get more from your money, see where your money is going, and build better financial habits.

ACTION 1: Watch this short video about what **money habits you'd like to create** and take with you into your future. (2 minutes)

- [It's personal: Establishing healthy financial boundaries with those around you](#)

REFLECT AND WRITE:

- What are your earliest money memories?
- What role did money play in your family?
- How has this history with money made you think about it today?
- What is the difference between a need, want and wish?

USE THESE TOOLS:

- Financial House pdf
- [Money Canvas](#)

LESSON 2: BUDGETING

Taking the time to build a budget can make a world of difference for the goals you have now and in the future.

When you find one that works for you, a good budget gives you a **strong foundation** for building toward **your short- and long-term life goals**. Knowing how to manage your money can make you feel more confident in your financial security and that you're ready for whatever life has in store.

Let's talk about creating a budget.

Your budget directs **how your income is spent** and shows you **how your dollars are working** toward your financial goals.

You might think there are one or two ways everyone "should" handle budgeting, but there are many creative ways to do it successfully. For some people, jotting down income and expenses in a notebook works. Others prefer to use a spreadsheet or app on their phone. **It doesn't have to be complicated.**

Choosing a budgeting method that works for you hinges on your personality, goals, and financial mindset—essentially, your beliefs, attitudes, and habits when it comes to money.

Budgeting is about **finding a way to maximize your income in a way that you find most beneficial**. When you don't have any sense of a budget, you easily can spend more than you'd like without realizing it—often on things that aren't necessarily important to you.

ACTION 2: Watch this short video about **creating a spending plan**. (2 minutes)

- [Financial Clarity: Setting a financial foundation guided by your priorities](#)

REFLECT AND WRITE:

- What are your money priorities?
- Do you know how much you are currently spending? If not, where do you need to go to get that information?

- What are your financial needs versus wants? Is it easy to put your financial needs first?
- How can you make sure you stick with a budget over time?

READ THIS ARTICLE:

- ["Bad With Money"? Common Financial Mistakes You May Be Making & How to Fix Them | Thrivent](#)

So how do you set up a budget, and why?

Some of the specific benefits of budgeting include:

- **Prioritizing your needs, wants and wishes.** A budget can make sure you're covering your needs and spending money on things that bring you joy without worrying that you'll run out of money before the end of the month.
- **Saving deliberately.** No matter how much you choose to set aside, you're making sure you're putting away something for your future financial goals.
- **Reducing mindless spending.** With a budget, you'll be more likely to consider where something fits into your financial picture before you buy it. You may realize you need or want to spend the money on something else.
- **Provides insight on spending habits.** Establishing and sticking to a budget can help you [avoid bad debt](#) like high-interest credit cards or consumer loans, that can damage your future financial stability. It can help you live on less than you earn.

ACTION 3:

- **Create a list:** Put the things you spend money on into the three categories: Needs, Wants, and Wishes

REFLECT AND WRITE:

- Was it hard to decide what is a need, want and wish?
- What else do you need to fill in? Where will you get that information?

Different ways to budget

The first step in getting [started with your budget](#) is to consider your monthly expenses, such as rent and utilities, along with other financial goals you have, such as buying a car, saving for a down payment on a home or paying down debt. Then you'll determine how you want to divide your income between your current expenses and applying to those goals.

There is a tradeoff between how aggressively you pursue your goals and your current lifestyle. Striking a balance between the two allows you to reach your goals within a time frame that's acceptable to you without sacrificing so much that you're driven to abandon your budget.

You can find many different budgeting styles to use as a guide. Some methods may work better for you than others depending on your personality or preferences.

- A [zero-based budget](#) starts with your monthly income, and you dole out all of it into specific savings and expense categories until you reach zero. While this method ensures you are mindfully allocating each dollar you earn, it can take a lot of time to manage it. Zero-based budgeting may be for you if you like digging into the details and planning for every current and future expense.
- The [50/30/20 budgeting method](#) is a simple one that looks at the big picture instead of focusing on individual line items. Rather than splitting your budget into several categories with various limits, you allocate 50% of your income to your needs, 30% to your wants and 20% to your savings. If you tend to feel overwhelmed by details, this method can be an easy one to adopt.
- Another low-lift budget is the ["pay yourself first" approach](#). You decide how much money will go toward your debts and then your savings, and whatever's left over is what you have to spend for the month. This can be useful if you want to prioritize your goals without getting into the weeds of itemizing every cost.

These are just three types of budgeting. With any system you end up using, you'll likely need to refine it along the way. Your income, lifestyle and goals will continue to change over time, and your budget should be updated periodically to reflect them.

ACTION 4:

- Use the **budgeting worksheet** to put together your estimated budget

REFLECT AND WRITE:

- What kind of budget feels best for you? Why?
- How will you track your spending?
- How often will you review and adjust your budget?
- Are there spending habits you need to change?

LESSON 3: SAVING AND INVESTING

Saving money is one of the most important financial habits you can adopt. It can help you become financially secure and provide for you and your loved ones. Saving can help you deal with unexpected costs and emergencies. And it can help you reach your short, medium and long-term financial goals.

Speaking of goals, **what are you saving for?** The first step to saving success is knowing what you want or need. Remember when you were a kid, and your parents made you pay for something you wanted? It could have been a pair of jeans or a video game. Knowing what you wanted made saving all that more tangible back then. And the same is true today.

Whatever your goals are, it's important to set specific ones rather than being vaguely aware that you should be saving. It's easier to put off saving when you aren't looking ahead at that goal.

ACTION 5: Watch this short video about **how to save and invest wisely** as part of your budget. (2 minutes)

- [Savings and Investing – Living Beneath Your Means](#)

REFLECT AND WRITE:

- What expenses could you eliminate or reduce to save money?
- How can you prioritize your savings and investment goals?
- What are you willing to sacrifice now to have long-term benefits?
- What habits can you develop now to avoid impulse purchases?
- How can you maintain financial discipline when you are faced with peer pressure or other expectations to spend money?

READ THIS ARTICLE:

- [5 ways to start investing after college | Thrivent](#)