A Brief Overview of Budgeting Through the Lifespan

**Life-Cycle Goals**

Goal setting is an important strategy for meeting family, educational, health, work, and other goals throughout one’s life-cycle. An example is that as good health decisions and practices are prioritized, individuals and families are also more likely to build their financial resources. Too many people, though, fail to write down their goals and put them into a realistic timeline.

Personal finances should be tied into individual and family goals, and the written financial plan should be the over-arching basis for budgeting decisions. While this reflection and strategizing takes time and can be challenging, the goals will be met sooner when the plan is written and followed. Goals and financial plans should be adjusted as needed with each phase of the life-cycle, keeping in mind the long-terms goals.


**Budgeting Research Highlights**

A national group of FCS Teacher Educators recently identified financial education as the number two trend of significance, behind nutrition. Experts contend it should start as early as 3 years of age. However, having knowledge about finances does not always mean good financial decisions are made. Other important factors are income, financial satisfaction, and financial confidence.

Lifespan financial planning assists with preparing for expected future costs as well as emergencies. Seven areas are generally categorized for family expenses: housing, child care and education, transportation, food, health care, clothing, and miscellaneous. While the amounts spent in these categories change as family size changes, housing is usually the largest item in the family budget. Circumstances such as unemployment, chronic health conditions, and emergencies can disrupt meeting family and financial goals.


Suggested Activities for Students to Learn About Budgeting

- Track income and expenses for a two-week or longer period of time, then analyze spending and saving habits.
- Calculate the hours needed to work at various levels of pay in order to purchase an item identified as a need. Repeat the process for an item identified as a want. Which is the more likely purchase, and why?
- Interview someone who has retired to inquire of their financial habits and goals. Compare and contrast those with current financial habits and goals.
- Compare the cost of a product (car, credit card, shoes, etc.) from three different sources. Determine the total cost of each, then decide which would be the better choice.
- Develop the habit of saving a manageable amount from paychecks or financial gifts.
- Gather expenses related to moving into various types of housing. Determine and compare the up-front and the monthly costs.
- Estimate the costs involved to prepare for an entry-level job after high school. Include costs for school and training, transportation, housing, etc.
- Organize a family meeting to discuss individual and family financial wants and needs.
- Explore the impact of property taxes to the local community and county.
- Calculate the cost of varying rates and lengths of interest payments on credit cards, car loans, and mortgages.
- Determine the connection of finances to healthy relationships.
- Focus activities with FCCLA, TAFE, and 4-H projects.

Middle-income families will spend approximately $295,560 (accounting for inflation) to raise a child born in 2011 from birth through age 17. www.usda.gov.

Careers Related to Budgeting and Financial Planning

Many opportunities are available for those who choose to pursue a career related to individual and family budgeting and financial planning. A bachelor’s degree or higher is usually required, as well as related experience. Examples of positions in corporate, educational, entrepreneurial, and government settings include:

- Budget Analyst
- Consumer Lending Manager
- Consumer Loan Officer
- Cooperative Extension Specialist
- Curriculum/Lesson Plan/Simulation Writer
- Family Business Consultant
- Family Financial Counselor and Planner
- Financial Manager
- Personal Financial Advisor
- Professor
- Researcher

Based on information from these sites:

FCS Career Connection. www.aafcs.org/Resources/Career.asp

The 2008 Jump$tart survey of high school seniors found that just over 48% of the students, as compared to 62% of college students, answered the financial literacy questions correctly. http://www.jumpstart.org/assets/files/2008SurveyBook.pdf