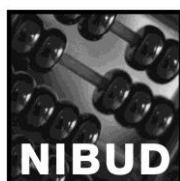


# Managing money

*teacher manual*



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## Introduction

The Nibud-course *Managing money* has a modular set-up and thus you can easily adapt the course to the needs of your participants. In this manual you will read how you can do this. Moreover you will find a commentary of all separate modules. The commentary always consists of the aim of the module, extra exercises and background information.

In principle you can give this course if you have experience as a course leader and sufficient knowledge of budgeting. If you should need support, you could do the following courses at the Nibud:

How do I give budgeting lessons?

Basis course Budgeting

For more information you can take a look at [www.nibud.nl](http://www.nibud.nl) or contact an education advisor of the Nibud, via [opleidingen@nibud.nl](mailto:opleidingen@nibud.nl).

### *Always up-to-date*

The material for the course *Managing Money* is updated twice a year. If there happen to be important modifications in the meantime, the material gets adjusted straight away. Obviously the same goes for the information in this manual.

It is advisable to download the participants material only shortly before you start the course. Your participants in this way will always have the most up-to-date information at their disposal.

### *Evaluation*

The Nibud likes to be informed about both your opinion about the course and the opinion of your participants. Therefore we ask you to fill in an evaluation at the end of the course. The evaluation form has been sent to you automatically if you registered all your details at the moment you have downloaded your course material. If you did not register your details, please send an e-mail to [opleidingen@nibud.nl](mailto:opleidingen@nibud.nl). Registration also has the advantage that you can be kept up-to-date with regard to new versions of the course material.

## Aim of the course

The general aim of the course *Managing Money* is as follows:

*After the course the participant will be able to independently do his financial household and ask for help on time in case of problems.*

You can choose to formulate a more specific aim for your course. Therefore check what you want to achieve with the course, what your participants must be able to do and have knowledge of. From thereon you can establish your teaching programme and course length.

A few examples:

*After the course the participant will be able to make a year budget and stick to it.* In this course the year budget will be the focus point.

*After the course the participant will be able to tune in his expenses on his incomings.*

In this course the making of choices will be the focus point, together with the making use of incomes supporting arrangements.

## Organising a course

### Core message

Next to the aim of the course, you can formulate a core message that you can repeat in every lesson.

The Nibud organises her own *Managing Money courses* that are commissioned by the various communities. The core message that the Nibud has formulated for these is:

*You are responsible for your choices.*

Often participants at the start of the course do not see how they have influence themselves on their finances. By choosing consciously where they do and do not want to spend money on, they get more control over their expenses.

### *Suggestions of Nibud teachers*

Please make sure that the participants pick up the following golden rules:

- Look forward (know what the rest of the month will bring),
- Make choices
- Defend yourself

Make sure the participants feel safe. Emphasize in the first lesson that all that is said will remain within the group. Also have fun with the participants. For example in the last lesson let the group prepare a meal and cook it, for a small amount per person. In that way they can immediately put into practise what they have learned.

Instead of having the exercises made individually, these could also be made or discussed in small groups. In this way participants can learn a lot from each other. What is more, it makes the lessons more interactive.

In the fifth lesson invite someone from the City council to come and explain the incomes supporting arrangements.

### Level participants

The material that forms part of the course *Managing Money* is suitable for participants that have a reasonable command of Dutch, on NT2-level (indicates a low/average level of Dutch as a second language). The course is explicitly **not** suitable for persons with serious debts (threat to have to leave their house and to shut off the utilities). For these persons there must first be found a solution for their serious problems, before they can take part in a course.

### Course extent and lessons programme

The ideal design for a course *Managing Money* according to the Nibud consists of six meetings of 2.5 hours each. During a course of this extent all competences that are necessary to increase the capacity of the participants to financially cope by themselves can be treated.

The lessons programme is as follows:

Lesson 1	Incomings and expenses (basis module) Account book (basis module)
Lesson 2	Administration in order (basis module) Manage with your income (basis module)
Lesson 3	Manage with your income (basis module) Avoid debts (basis module)
Lesson 4	Intelligent saving suggestions (basis module) Resist the temptations (basis module)
Lesson 5	Get your profit! (basis module) Supplementary module of your choice
Lesson 6	Insuring, saving, taking a loan (basis module) Supplementary module of your choice of individual conversations with the other students

In this programme all basis modules will be treated. Besides there is space for one of two supplementary modules that you can choose depending on the composition of the group. For example a supplementary module has been developed for parents about financial education (Your child and his money) and for seniors (Remain independent).

In each module you will find homework exercises. Thanks to those, you can at the start of each lesson go back to what has been learned in the lesson before. The basis module *Manage with your income* is spread out over two lessons. This is because estimating is a tricky subject. Discussing the homework for this module will take up more time too. The module *Account book*, finally, is intended to have people fill it in every week.

## Incomings and expenses (basis module)

### *Aim*

In this module the participant learns which kinds of incomings can exist. Furthermore the participant learns to distinguish between the various kinds of expenses (fixed costs, extra and household expenses) and is able to divide the budget items up into necessary expenses and avoidable expenses.

### *Extra exercises*

#### Control over your purse

Play the game *Control over your purse*. The participants in this way will get more insight in the various incoming and outgoing budget items.

Split up the group into three parts. Choose an example household. Let group 1 estimate the fixed costs, let group 2 estimate the extra expenses and let group 3 estimate the household expenses. Make the little groups also choose which expenses are necessary. Discuss the choices in class. Does the group manage with the given income? How could they further adjust their estimation?

#### Other choices

Ask the participants to write down the three expenses that for them are the most important ones out of every type of expenses (fixed costs, extra expenses and household expenses). Discuss this in class. Are there many differences? Why is that?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module :

**Control over your purse:** an educative game about budgeting

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

Website suggestion: [www.nibud.nl](http://www.nibud.nl)  
[www.persoonlijkbudgetadvies.nl](http://www.persoonlijkbudgetadvies.nl)

#### The necessity of the expenses

A household has a number of basis needs like accommodation, food, clothing, etc. On this you have to spend money in any case. Other expenses can be less necessary. This is where the choice element comes in and plays an important role. When you make an estimation, it is important to have insight in how necessary the expenses are. This is a condition to be able to make optimal choices.

When you make a scheme of the estimation according to necessity, three groups of expenses can be distinguished: the expenses in the so-called basis package, the personally hard-to-avoid expenses and the free expenditures.

- Basis package

The necessary expenses on food, living, clothes, health, insurances, information and so on belong in the basis package. The choice of those expenses is partly determined, and also dependent on, the county's wealth level.

So as far as the items in the basis package are concerned, there has to be spent money on those. The minimal amounts that have to be spent on the items depend among other things on the composition of the household.

- Personally hard-to-avoid expenses

Through the individual circumstances of a household it can be difficult to avoid spending on items that are not part of the basis package. Moreover it can be necessary to spend more than the minimal amounts on the items that *are* part of the basis package. In the case of 'personally hard-to-avoid expenses' you can think of expenses regarding home-to-work-traffic, a diet, a holiday prescribed by a doctor or the costs of adjustments in the house as a result of an invalidity.

Personally hard-to-avoid or not-to-avoid expenses can be very individually determined (like diet costs), but can also occur in certain kinds of households. An example is a pension facilitation. In the case of employees this often is arranged in the work contract and the premium payment gets settled in the gross-net lane of the income. Independent workers must get an individual arrangement for this, what will cause extra costs. Also other groups, like elderly people or one-parent-families, can have hard-to-avoid or not-to-avoid expenses.

Seeing their nature, those expenses have – after the expenses in the basis package- priority over the other expenses.

- Free expenditures

If there is money left after the expenses in the upper two categories are paid, this can be spent on the same items as in the basis package (more clothing, more expensive living and so on) or on other budget items (holiday and so on). We call this a rest package.

*Scheme according to necessity of the expenses*

Unavoidable expenses (Basis package)	Expenses with a choice element (Rest package)
<u>Fixed costs</u>	
rent/mortgage	transport
energy	university fees
taxes	telephone
assurances	
cable	
<u>Extra expenditures</u>	
clothing/shoes	recreation
inventory	
extra sanitary costs	
<u>Household expenditures</u>	
food	smoking
various	pets
	presents





## Account book (basis module)

### *Aim*

In this module you teach the participant how he can get insight in his expenses by keeping an account book.

### *Extra exercises*

The one who writes, knows where it goes!

Ask your participants to keep an account book during the course period. Just once take a look together at the filled in account book. Ask the participant the following questions:

- What sort of expenses did you have in the past week?
- Are these obligatory expenses or allowed expenses?
- Perhaps you have had many allowable expenses. What conclusions can you draw from this?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Where does the money go? Keeping track:** an extensive account book for your participants.

**MoneyManager:** a computer programme with which your participants can map their incomings and expenses.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

Website suggestion

[www.etv.nl](http://www.etv.nl), at the programme *Kijk op geld* (Understand about money). Here the participants can keep an online account book.

### *Extra information for the participants*

Extra information for the module Account book.

Extra information for the module Account book

### **Keeping an account book**

In a household a lot of money is needed. You have to pay all sort of things, in many different ways. Do you ever wonder where the money goes every time?

#### Account book

In an account book you can keep track of your money matters very well. You go to the supermarket, do your shopping, pay, take the receipt and write down the amount. And after a month or two you know what you spend on food and drinks for example. It is as simple as this.

#### More than just food

Or is it slightly more complicated? When you take your shopping out of the bags, you will see that you have not bought just all you need for meals. Because in the supermarket there is so much more you can buy. For example shampoo, a pair of tights, socks for the baby, a magazine, cleaning products and a few cups will come out of your bag. The amount for food only forms a limited part of the total amount that you spend in the supermarket. 'How will I ever get insight in my expenses?', you might ask yourself desperately.

#### What are you going to keep track of?

That depends on what you want to know exactly. As long as it concerns only the expenses of food and drinks, you can divide your shopping in so-called food- and non-food-articles. On most receipts all articles are put there even with their name. You add up all the expenses on food and note down the amount in your account book.

If you want to know what else you pay with your shopping money, you can divide up even further the non-food-articles. For example think of clothing, cleaning products, small inventory, personal care, pet, magazines, flowers, presents and similar things. You add up also these amounts and write them down in your account book.

#### Fixed costs and irregular expenses

Of course there are many other expenses. Fixed costs, like the rent or mortgage, energy and water, telephone and assurances you do not need to keep track of separately. You pay those via the bank and so you can find the amounts on your bank statements. In the case of irregular expenses, like clothing, furniture, apparatuses, the car and the holiday, it can be a good idea to note down this kind of expenses in an account book.

## Administration in order (basis module)

### *Aim*

In this module the participant learns how he can keep track of his administration in a simple manner and why this is important.

### *Extra exercises*

#### Rights and obligations

Sometimes you receive mail of which it is not directly clear whether it is obligatory to do what is written in the letter. For example you receive an invitation of the Tax office to declare your taxes. This seems without obligation, though really you are obliged to hand in your tax declaration form. It also happens the other way around: a company wants you to pay them automatically from now on for example. They send you a letter in which it seems this is obligatory. Though a company can never oblige you to pay their bills automatically.

Ask the participants whether they recognize the problem (with this sort of letters). Do they find it hard to cope with it?

#### Rights

Sometimes you get a bill which you do not agree on. Ask the participants to think of a solution for the following:

Jolanda always very precisely keeps track of how much she uses the telephone. Last month she got a bill for much more minutes of telephone calls than she had actually used up. What can she do against this?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Where does the money go? Keeping:** a set of tab sheets with extensive information for your participants.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestion

[www.etv.nl](http://www.etv.nl), at the programme *Kijk op geld* (Understand about money). Here your participants can keep an online account book.

### *Extra information for the participants*

Extra information for the module Administration in order

Extra information for the module Administration in order.

### **Suggestions for paying expenses**

- Pay the fixed costs automatically whenever this is possible, because in this way you hardly risk to forget them. Let the payment be executed right after your salary is credited.
- Pay the fixed costs first.
- Especially if you have an income per four weeks, a separate account for the paying of fixed costs is useful. Every month you transfer the average amount that you need for your fixed costs from your income to this account. The first time you also transfer an extra amount, just once. This is intended for the non-monthly fixed costs that you have to pay before you have been able to put aside enough money.  
Extra accounts for payments are not always costless. Get informed at your bank.
- It can be practical to use the non-monthly incomings for the extra expenses. For example (a part of) the child benefit for clothing of all the family members, the holiday pay for your holiday. Put the money on a separate account. In this way you get interest and you know exactly which amount you have for these expenses. Moreover you avoid spending the money on something else accidentally.
- For the extra expenses you should choose a savings account that allows you to always have free access to your money on it. Imagine that you have made your money inaccessible to yourself for a few years and suddenly you need a new washing machine. You would unnecessarily pay more because you would have to pay a penalisation over the money that you take away from your savings account. The other alternative – i.e. to get a loan - also makes your purchase more expensive than necessary. For you then would have to pay interest over the loaned amount.
- For the weekly shopping in the supermarket many people use their pin card. The advantage of it is that you do not need to carry big amounts of cash with you. Moreover the card is insured against loss and theft. The disadvantage is that you tend to spend your money more easily with the pin card. If you have to pay small amounts, cash is more practical than using your pin card. The advantage of this is that you 'see' what you spend. You cannot spend more than you have with you.
- Do you not want to spend too much on the household? Always pay the shopping in cash. Each week you go and get a fixed amount from the cash machine. When you have almost used up this amount, you know that you have to start to take it easier.

## Manage with your income (basis module)

### *Aim*

In this module you teach the participant how he can keep a balance between his incomings and outgoings by making an estimation.

### *Extra exercises*

The year overview (working sheet 1)

For most participant filling in a complete year overview is an enormous job. Though such an overview does give much insight into their money matters. An exercise in the module is that the participants fill in their incomings. Using working sheet 1 they can fill in their outgoings next to their incomings. If you choose to do this exercise in this module, you can refer to this continuously during the rest of the course.

The month estimation (working sheet 2)

Do your participants have access to the internet? If this is the case, they can make a month estimation using working sheet 2.

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Where does the money go? Estimating:** a booklet with extensive information about estimating for your participants.

**MoneyManager:** a computer programme with which your participants can map their incomings and expenses.

**Control over your purse:** an educative game about budgeting is suitable to play in groups and can be used to introduce the concept of 'estimating'.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

Website suggestions

[www.persoonlijkbudgetadvies.nl](http://www.persoonlijkbudgetadvies.nl)

[www.nibud.nl](http://www.nibud.nl), with information about the height of various expenses.

Expensive vs. cheap, poor vs. rich

An expensive month is a month full of high expenses. For many people the month December is an expensive month. A cheap month is a month with little expenses. A rich month is a month with extra incomings, like the child benefit or the holiday pay. A poor month is a month with only fixed month incomings (salary or social insurance).

The adaptability of the expenses

See the module *Incomings and expenses* for information about the necessity of expenses. Besides this the adaptability of expenses is important, when the estimation shows a deficit and choices in the expenses have to be made.

Expenses that belong to the rest package and at the same time are not individually unavoidable are adaptable. Furthermore contractual obligations that are or are not revocable can come into question. A subscription to a magazine is revocable, but an amortisation of a loan is an inescapable obligation. The extend of adaptability of the expenses also has to do with the time limit within which the adaptation can be realised. In this way the height of the rent usually can not be changed on a short term, but the height of some household expenses can be.

#### Tracing your expenses

The fixed costs usually can be traced without much difficulty. Bank statements of the year before often give enough information too. Also the height of the household budget usually is well known, though often other things that should be categorized under different budget items of the estimation are paid with the household money. Think of bus tickets, fuel, small clothing and inventory purchases and so on.

On the contrary, making an approximation of the height of the extra expenses often turns out to be very difficult.

## Avoid debts (basis module)

### *Aim*

In this module the participant learns how he can see to overdue payments in an adequate way, so that problematic debts get avoided.

### *Extra exercises*

Send a letter to the creditors

Make the participants write a letter in which they suggest a solution to Sven's creditors in order to have him repay his debts.

Discussion task

Split up the group into two parts. The one group represents Sven, the other represents his creditors. Make the first group think of arguments why the creditors should accept Sven's proposal. Make the other group think of arguments why the creditors should not accept Sven's proposal. Make the groups discuss with each other.

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Money & Behaviour:** a book about the theoretical backgrounds of the spending behaviour of your participants.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

Website suggestions

[www.zelfjeschuldenregelen.nl](http://www.zelfjeschuldenregelen.nl)

[www.persoonlijkbudgetadvies.nl](http://www.persoonlijkbudgetadvies.nl)

Causes of a problematic debt situation

Through the years various studies have been done on the causes of a problematic debt situation. De Greef distinguishes four kinds of problematical debts. The causes of those debts differ. Each type of debt therefore also requires a different approach for the solution.

#### 1. Survival debts

The debtor has too few incomings in relation to his fixed costs. This type of debts especially happens to people that are near the social minimum. This debtor must learn to manage with the limited budget or higher his incomes by finding more work for example or making use of incomings expanding arrangements like rent and care allowance.

#### 2. Overspending debts



The debtor in principle has sufficient incomings, but has taken on too many loans and is into financial trouble because of this. This debtor has to learn to manage with his budget.

### 3. Adaptation debts

The debts are the consequence of a big change in the expenses and/or the incomings. This can be due to a divorce, unemployment, incapacity for work and so on. This debtor has to learn to adept to his new situation.

### 4. Compensation debts

These debts arise through psychological problems like drugs or a shop addiction. Here the problems that form the basis of the problematical debt situation must be solved first.

### Itinerary for solving the problematical debt situation

A problematical debt situation often begins with exhortations, isolating of the telephone for example, usher(s) in front of your door and so on. Or a household contacts a social worker because the problems are growing too big. To start with, the social worker will try to find a solution via the friendly itinerary. If he does not succeed in this, he can try to come to a solution via the legal itinerary (the personal bankruptcy). You find more information on this on [www.nvvk.eu](http://www.nvvk.eu).

## Saving (basis module)

### *Aim*

In this module the participant learns to know the possibilities of saving on his expenses. Besides the participant will receive some saving suggestions that are good for his wallet but also for the environment.

### *Extra exercises*

#### Start task

Write down on a big piece of paper the word 'SAVING'. Next to the word let everyone write down what comes up in his/her mind. This can be all sort of things, also feelings like 'difficult', 'nasty' et cetera. Discuss the keywords that are on the black board. Are there certain things that need to be noticed?

#### Discussion task

Discuss the following topics with the group:

What are easy ways to save money?

What ways are, on the contrary, very difficult?

On what things you would never want to save money?

On what things you really wish you *would* save money?

#### Extra homework exercise

Op [www.nibud.nl](http://www.nibud.nl) you find the National Saving Test. Do this test.

#### Extra homework exercise

Fill in the Test for the lowering of your energy costs on [www.energielastenverlager.nl](http://www.energielastenverlager.nl). The menu shows on what you can save money and how much money this makes you save. On what things would you really like to save money? On what things can you not save money or on what things do you not want to save money?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

101 Goed met Geld tips (101 Clever-with-Money-Suggestions): a booklet with many saving money suggestions for your participants.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestions

[www.milieucentraal.nl](http://www.milieucentraal.nl)

[www.nibud.nl](http://www.nibud.nl), for the National Saving test.

Keeping some extra money aside is important to avoid that a household finishes up with financial problems. By making sure you always have some extra money,

you can make up for unexpected expenses. In this way you do not have to take immediately refuge in a loan.

The maintenance of the house is very important. It can avoid that you eventually have to pay much more. For example if you make sure that the house is painted in time, you avoid that the window frame gets tainted. The substitution of a tainted window frame is more expensive than paint.

Environment and saving money

In this module there are a few energy saving measures that are good for the environment and for your wallet. Many products like light bulbs seem less expensive but in the end they are not. By buying energy saving products you eventually will spend less. A few examples of those products are: water savers, shower coach or draught strips, but also think of stickers that indicate how warm the heating gets. These increase the consciousness of the use.

*Extra information for the participants*

Extra information for the module Saving.

Extra information for the module Saving

**Suggestions for managing with your household money:**

- If you want to establish a fixed amount for your shopping, keep an account book for a while. After a few weeks this will give you sufficient insight.
- Make a shopping list.
- Do the shopping for more days at one time. In this way you will be less tempted to get extra things.
- Leave the children at home when you go shopping.
- Only buy things on offer if you are sure that you can use the product of that particular brand and of that particular amount.
- Choose the cheaper own brands instead of the more expensive brands.
- The articles on the lowest shelves are the cheapest ones.
- Collection stamps and saving initiatives only make you stick to a particular product or shop. Is this worth the present plus the postage that you possibly have to pay?
- Buy vegetables and fruit of the season, often this costs less and it also is better for the environment.

## Resist the temptations (basis module)

### *Aim*

In this module the participant learns to resist to publicity and temptations. At the end he will know what publicity aims at, he will be able to compare special offers, he will know what the advantages and the disadvantages of a product are and he will be able to choose consciously.

### *Extra exercises*

#### Wanting and needing

Ask the participants to carry some advertising throwaways. Let them indicate products that they would like to have and products that they really need. Next start a discussion about how you choose something that you want or something that you really need.

#### Attractive

Ask the participants to carry some advertising throwaways. Let them indicate attractive advertising. Why do they choose this advertisement? Let the participants also choose an advertisement that they do not find attractive. Why do they choose this advertisement? Finally let the participant write in one single sentence what his trap is.

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Bling Game:** a family game about making choices.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestions

[www.independen.nl](http://www.independen.nl)

[www.vergelijk.nl](http://www.vergelijk.nl)

[www.kieskeurig.nl](http://www.kieskeurig.nl)

### *Extra information for the participants*

Extra information for the module Resist the temptations.

## Extra information for the module Resist the temptations

### **Do not be tempted!!**

- What do you do if you are about to do an impulsive purchase? Ask yourself if you really need the article. Can you afford it? Can you get it somewhere else for less money?
- If you see publicity on TV, ask yourself the following things: what is the aim of the advertisement? What is the use of it for me? What is negative about this product for me?

### Some suggestions

- Do you really need new clothes? Often you have got more in your wardrobe than you think. If you go shopping, buy clothes that go well with the clothes you already have. In this way you make sure that one new jacket makes three new outfits for example!
- Do not let publicity decide what you buy, but decide yourself what you really need. Publicity (advertising) is everywhere and influences everyone. Do you usually not use the product that is now on sale? Why would you buy it now? Do not let advertising rule you!
- Are you the kind of person that if (s)he is frustrated, angry or sad, gets an incredible shopping desire? If this is the case, try to shop 'intelligently'. Think of purchases that you need anyway. For example a birthday present, something that is broken and needs to be replaced or go shopping in the supermarket (for your groceries). Do not carry a pin card or credit card with you, but use a fixed amount.

## Insuring, saving, taking a loan (basis module)

### *Aim*

In this module the participant learns what obligatory and necessary assurances are. Besides he learns to make a responsible choice between saving and taking a loan in the case of a high expense.

### *Extra exercises*

#### Limiting convictions

Let the participants discuss the following statements:

I need to get an assurance for everything, right?

It is better to have too many assurances than too few.

Nothing will happen to me, so I will not get any assurance.

Saving money is for the rich.

Taking a loan is a very normal thing to do, everyone takes a loan, right?

Taking a loan is easy and cheap.

#### Get insured or not?

In your homework exercise there is a list with assurances. Choose with the group one assurance. Or together think of a completely new assurance.

Split up the group into two parts. The one group has to think of five reasons why you really need this assurance. The other group has to think of five reasons why you really do not need this assurance.

### *Background information*

#### Website suggestions

[www.nibud.nl](http://www.nibud.nl), with information about loans and savings accounts.

[www.bkr.nl](http://www.bkr.nl)

[www.afm.nl](http://www.afm.nl)

<http://consument.afm.nl/Consumenten/aanpak/fb.aspx>

#### The financial instructions

Financial companies that sell complex products, like an investment fund or an investment assurance, are obliged to offer free Financial Instructions with this. In Financial Instructions you find information about profits, risks and costs of the product in question. The aim of Financial Instructions is that the consumers can take a responsible decision when they buy a complex financial product. Therefore it is important to ask for Financial Instructions before you sign the contract of such a product.

Source: AFM

### *Extra information for the participants*

Extra information for the module Insuring, saving, taking a loan.

Extra information for the module Insuring, saving, taking a loan

### **To do or do not get a loan?**

- Pay attention to so-called cheap loans. Often low interests are valid only for a few months. After that you go and pay a lot more.
- Do you want to buy something for which you do not have the money? It is better not to get a loan with your own bank. Do not get a loan via a mail-order company or via a clients card. They want many interests.
- Can you pay the interests and the repayment? The answer can be found by making an estimation. This will show you whether every month you have enough money for the repayment.
- If you have too little money to repay a loan, look for another solution. Perhaps you can postpone your purchase for a while or go for a cheaper brand. Or you can have a broken product fixed, instead of replacing it.
- Can the costs get higher because of you postponing the purchase? Let's say that your house needs to be redone urgently and that you need a loan for this. If you do not redo the house, the damage can become of such an extent that eventually you would have to pay even more.
- It is not a good idea to finish up having to repay a loan for a purchase that will be of no use to you anymore before you have paid back the entire sum. For example if you take a loan for a bike that you want to substitute after four years, make sure that the loan will be repaid within those four years.
- For how long your income will remain at the same level? Your income can get lower because of many reasons. For example because you reach the pension age, get incapacitated for work and so on. Can this happen to you? Do not get a loan with a long runtime.
- Will you have some high costs before long? For example because your house must be painted or because your car must be repaired? Because of this kind of expenses you will have less space in your budget for a repayment.



## Get your profit! (basis module)

### *Aim*

In this module the participant will learn which arrangements exist for him with regard to extra incomings. Besides this, he will know how to request the arrangement(s) in question.

### *Extra exercises*

#### Start exercise

Let the participants say what subsidies they have heard of and write them down on the black board.

#### Guest speaker

A guest speaker of the City council. In this way the participants will get to know more about the local subsidies.

#### Discussion task

To finish off this module organise a group discussion about the following topics:  
- Do the participants know all about the arrangements that have been discussed in this module?

- What are the difficulties of the requesting of these? Or is it all very easy? What suggestions do the participants give with regard to the request?

- What reasons are there not to make a request for those?

- Could you encounter problems of a certain kind when you receive money according to a certain arrangement?

#### Extra homework exercise

Let the participants fill in [www.berekenuwrecht.nl](http://www.berekenuwrecht.nl) (in order to let them calculate their rights).

### *Background information*

#### Website suggestions

[www.berekenuwrecht.nl](http://www.berekenuwrecht.nl)

[www.toeslagen.nl](http://www.toeslagen.nl)

### *Extra information for the participants*

Extra information for the module Get your profit!

Extra information for the module Get your profit!

### **National arrangements**

There are several national arrangements for extra incomings.

#### Rent allowance

Is your rent too high in relation to your incomings? Perhaps you are entitled to a rent allowance. What amount you will receive depends on your personal circumstances. You can get more information at the housing organisation or at the Tax office, 0800 0543 (free) or via [www.toeslagen.nl](http://www.toeslagen.nl).

#### Care allowance

The care allowance exists for people with a low income. What amount you will receive depends on your personal circumstances. You can get more information at the housing organisation or at the Tax office, 0800 0543 (free) or via [www.toeslagen.nl](http://www.toeslagen.nl).

#### Child supplement

Do you receive child benefit? Perhaps you also have the right to receive a child supplement. What amount you will receive depends on your personal circumstances. You can get more information at the housing organisation or at the Tax office, 0800 0543 (free) or via [www.toeslagen.nl](http://www.toeslagen.nl).

#### Subsidy school costs

The parents of children that go to school and are younger than 18 years old can request Parents subsidy. You can request a subsidy for costs for studying like books and notebooks. Whether you are entitled to a subsidy depends on your income. Students older than 18 years old can request Subsidy for students themselves. You can get more information about Subsidy school costs at the Informatie Beheer Groep (IB-groep), Information Administration Group, telephone 050 – 599 77 55 (from 9.00 a.m. to 8.00 p.m.).

### **Tax reductions**

Via the Tax office you can get all sorts of tax reductions. These are tax reductions on the income tax and premium assurances for the people. So you pay less tax to the Tax office. There are several tax reductions. Beneath you find the most important ones. Some tax reductions you will get automatically incorporated in your salary or social insurance. Others have to be requested by you.

#### General tax deduction

The general tax deduction automatically gets incorporated in your salary of social insurance. Does your partner not have his own income? (S)he needs to request the general tax deduction at the Tax office.

#### Combination deduction

Working parents of children that are younger than 12 years old can get an extra deduction: the combination deduction. The combination deduction is per person. If both partners with children work they therefore both receive the deduction.

#### Single parent deduction

Single parents who have a child younger than 27 years who lives with them, get the single parent deduction.

Single parents who work and have children under 16 years of age, (besides this deduction) also get the supplementary single parents deduction.

A deduction that has to do with children has to be requested at the Tax office (i.e. you do not get it automatically).

#### Labour deduction

Everyone who works, gets labour deduction. What amount this is, depends on the amount that you earn with your work. Also if you work and have a social insurance too, you have the right to get the labour deduction. The aim of this is to stimulate people with a social insurance to go working. You get the labour deduction by yourself. The amount is incorporated already in your salary.

#### Deduction for elderly people

Elderly people can receive the elderly deduction from 65 years of age onwards. Single elderly people can also get the supplementary elderly deduction. The elderly deductions are directly incorporated in the AOW (Algemene Ouderdoms Wet, a Dutch pension act).

#### Young handicapped persons deduction

Everyone with a Wajong allowance (a benefit for young disabled people) has a right to the young handicapped people deduction. The deduction is incorporated in the Wajong allowance.

#### How do you get the tax deductions?

If you have a right to the general tax deduction, the labour deduction or the two elderly people deductions, you get these automatically. For all the other deductions you have to fill in a form: the Request Temporary Restitution. You receive the deduction(s) monthly. The form for a temporary restitution can be requested via the Tax telephone. 0800 0543 (free).

#### **Incomings of the community.**

Every community has money for inhabitants with a low income. The arrangements and the conditions differ per community.

In every community there is an arrangement for Special subsidy. You can request this for necessary expenses that do not get reimbursed by other authorities, like a care allowance. You can request Special subsidy for a refrigerator for example. Also almost all communities have an arrangement in which the inhabitants with a low income do not have to pay (at all) the community taxes.

Finally some (usually big) communities have a special reduction pass. People with a social security or minimum salary are entitled to such a pass. For example you get a discount on a film ticket or the swimming pool.

Get information at your own community to know what you are entitled to.

#### **Other deductions**

##### Deduction for people over 65 years of age

If you are 65 years old or older, you can get a deduction on many things. On the bus, the tram and metro for example. Furthermore you can get a deduction on the library and the Museum year ticket. In the past you needed a 65-pass for this.

This is no longer necessary, because everyone from 14 years onwards always has to carry an identity card with him (her).

#### Peak discount pass for the Dutch railways

At the Dutch railways you can buy a peak discount pass for €55 per year. With this you can get 40% discount on train journeys from 9.00 a.m. onwards and in the weekends the entire day. In the months July and August and on holidays you also get the discount before 9.00 a.m. Persons of 60 years and older can buy together with the peak discount pass 7 chosen days per year. This costs € 14 extra. This allows you to travel by train for an entire day for € 2 (2<sup>nd</sup> class). In the handout of the railways you will find more information.

## Money & Relationship (supplementary module)

### *Aim*

In this module the participant learns how he can make arrangements with his/her partner about the common money matters.

### *Extra exercises*

#### Discussion task

Discuss the following statements in the group:

- Karolien and Jeroen have decided that Karolien keeps track of the administration. Therefore Jeroen does not have to know anything about the administration.
- Karolien earns more than Jeroen; the part of the amount of her salary that exceeds Jeroen's salary she may entirely keep for herself.
- Jeroen would like to buy a new stereo. He finds that Karolien has to pay something too because she too will listen to the music in the new stereo.

#### Money secrets

Ask the participants whether they have secrets for their partner. What secrets? Why do they keep these secrets? Is their fear realistic?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Where does the money go? Estimating:** a booklet with extensive information about estimating for your participants. It also contains a chapter called Partners in money matters, with extra information and suggestions.

**Where does the money go? Keeping:** A set of tab sheets with extensive information to give both partners insight in the common money matters.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestions

[www.nibud.nl](http://www.nibud.nl), for the Money and Relationship test.

### *Extra information for the participants*

Extra information for the module Money & Relationship.

Extra information for the module Money & Relationship.

From the Nibud-research Money and Relationship it turns out that many couples think differently about money. If a couple makes good arrangements about the common administration, this can avoid many problems. Beneath you find, among other things, suggestions for the division of the costs and the getting of a cohabitation agreement.

Live together, pay together

In a household there are many things to be paid: the rent, the daily shopping, the membership of a sport association, the telephone, the newspaper and the hairdressers. How can you divide up even further those expenses? The simplest thing to do is to put all the common incomings together and pay everything from this money. Though you can also decide that each person pays a certain part of the expenses.

Do you have a common account for your common expenses? If this is the case, write down for a few months how much you both spend on the daily shopping. In this way you get to know what amount you have to transfer to the common account.

For example plan a discussion every two or three months about the finances. Is everything still going as planned? Is there anything that needs to get adjusted? Do you manage well with your money every month?

Financial administration

As far as the financial administration is concerned it is important that you both know how the payments are arranged and where the important papers are to be found. After all you are both responsible for it. So inform each other regularly.

Which bills

Open a common account for the paying of the common expenses, like the fixed costs and the daily shopping. Besides this, also open a common savings account for new furniture and the holidays. Every month you need to get a fixed amount transferred automatically.

Written arrangements

In a cohabitation agreement you put arrangements on paper. You can arrange how you are going to divide the costs and what will happen with your stuff if you split up. You can also arrange that you are each other's beneficiary. For a cohabitation agreement you need to go to a notary.

Call for more information the Notary phone (0900-346 93 93) or look on [ww.notaris.nl](http://ww.notaris.nl).

Pension

If you have a job, you probably pay a premium for your pension. Many pension arrangements also know a survivors pension. Your partner gets a benefit when you pass away. In order to be entitled to each other's survivors pension when you live together, often it is obligatory to have a cohabitation agreement. Get more information from your employer or from your pension fund.

Personal expenses, like clothing, mobile phone, presents, should be paid by each person with his/her money from his/her private account.

To live together in your partner's house

If you go and live together in the rented house of one of the partners, you can ask the owner to consider your partner as co-renter. The owner can refuse this request only if you have been living together since less than two years or if your partner would not be able to pay the rent on his/her own.

Liability

Does your partner have a loan and did you sign for it as well? In this case you are liable too for this debt. It does not matter whether you do or do not have a cohabitation agreement. So think well before you put your signature on the contract of your partner. In no time you could be liable for his or her debts.

## Varying incomings (supplementary module)

### *Aim*

In this module the participant that has varying incomings learns how he can balance his incomings and outgoings, by making an estimation.

This is a deepening module that goes together with the basis module *Managing with your income*.

### *Extra exercises*

#### Discussion task

Ask the participant what their basis income is. Do they have a minimal fixed income every month? How do they cope with it? What do they do if they do not have a similar fixed income? What do they do with the money that they possibly have in exuberance?

#### Control over your purse

Play the game *Control over your purse*. The participants in this way will get more insight in the amount that they need per month for their expenses.

Split up the group into three parts. Choose an example household. Let group 1 estimate the fixed costs, let group 2 estimate the extra costs and let group 3 estimate the household expenses. Make the little groups also choose which expenses are necessary. Discuss the choices in class. Does the group manage with the given income? How could they further adjust their estimation?

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Where does the money go? Estimating:** a booklet with extensive information about estimating for your participants.

**Control over your purse:** an educative game about budgeting.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestion

[www.persoonlijkbudgetadvies.nl](http://www.persoonlijkbudgetadvies.nl)



## Your child and his money (supplementary module)

### *Aim*

In this module the participant learns how (s)he can teach his/her children to manage money.

### *Extra exercises*

#### Start exercise

At the start of the lesson mention the following concept 'Financial education'. What comes into the minds of the participants? If they do not know very well what this is, give some indications. What is education? What will financial education be then?

#### Discussion task

It is useful to discuss about how the participants think about their children and loaning.

Do they lend money to their children? Why do they or do they not? Do they find it dangerous that children lend money to each other from a young age onwards? Or do they not see any danger in there?

Beneath there are topics that are important in the financial education of parents to their children. If you want to tell more about the topics, you can make use of the information that is described here.

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module :

**Financial education? Do it like this!**: a booklet with background information about financial education for you and for your participants.

The **Board newspaper**: for the calculating of a board amount.

**Bling Game**: a family game about making choices.

Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestions

[www.nibudjong.nl](http://www.nibudjong.nl), for young people of 15-18 years of age.

[www.nibud.nl](http://www.nibud.nl), with the financial education test and the board calculator.

### *Extra information for the participants*

Extra information for the module Your child and his money.

## Extra information for the module Your child and his money

Children get acquainted the first time with money between 6 and 12 years. They do not have very big amounts to spend, though it is the start of their learning to manage money.

A way to make them learn this, is to give them pocket money. This is a small amount of money that children can spend freely.

Young people from 12 to 18 years have to do with more incomings and more expenses. The help of parents is very important. In this phase of their life they get many new experiences in the financial field. And there are many temptations. One of the ways to get young people be acquainted with a bigger budget is to give them clothing money.

Not everything is on sale.

Each parent wants the best for their child. Though it is not always the best for your child to give him everything he wants. Instead it is good to teach your child that not everything is possible. Also as far as money is concerned. A child will learn much from this for later in life. It is important that a child learns to cope with his own money.

Let children make an overview of their incomings and outgoings. So they know where the money goes. Does your child spend too much? With the overview he can see directly what he really wants to have. In this way he tunes his wishes in on his budget. At a certain point he will understand: SPENT = SPENT!

Do not let advertising rule you

Publicity (advertising) is everywhere. Publicity people try in all possible ways to influence children. Young people are an interesting target, because they influence the purchases of their parents.

A world without influencing does not exist. Though you can teach your child how publicity works. In this way he will learn to make his own choices and will be tempted less easily.

Influence of other children of the same age

For young people the opinion of the others of their age is very important. Parents hardly have any influence on this. It is part of the development of the individual personality of a child. Does your child only want to wear expensive designer clothing? Give him clothing money. Then he will have to choose: either one pair of trousers of an expensive brand or a complete outfit from a less expensive shop. Clothing money stimulates your child to think and make choices before buying something.

Make saving fun

Also through saving, children learn to manage money: they learn 'to plan' with regard to money. Give your child a penny bank, preferably a transparent one. A child so sees what happens to the money. In this way saving becomes fun. Let a child calculate how long he needs to save to get to his saving target. The wish will come closer and closer. Do make sure that your child reaches his target within a few weeks.

Help! My child does not spend anything! / Help! My child spends too much!

Some children spend everything they have immediately. Many parents do not want this. If that is the case it is a good idea that the parent together with the child thinks of a saving target, so that the child has something in particular to save for.

Is a child afraid to spend anything? If this is the case it is a good idea that you and your child look for something that he likes, so that he can buy that after a while. In this way he learns to spend his money on something he finds important. As an adult he will have to be able to do this too after all!

An additional job is not bad

With an additional job a child learns that the money does not arrive 'just like that'. With the earned money your child learns to manage more money. Also he will see what working means. That will come in handy also later.

Do pay attention to all the rules about working hours and working conditions (see [www.nibudjong.nl](http://www.nibudjong.nl)). And of course make sure that the additional job does not compromise the school performance of your child.

The electronic world of money matters

Young people are good at using the internet, but internet online-banking is something different. Try it with your child, in this way he will learn how he can do it in a safe manner. From 13 years onwards you can let your child take money from the cash machine on his own. Really they have to be able to do one thing: keep their pin code a secret for everyone.

## Plusses and minuses (supplementary module)

### *Aim*

A module about numeracy. The aim is to get the participant achieve capacities that are necessary for his financially coping by himself.

The exercises in this module can well be combined with the information in other modules. Depending on de numeracy of your participants you can insert parts of this module during your lessons.

### *Background information*

#### Reading suggestion

Balans belicht dyscalculie (book on dyscalculia), to be downloaded on [www.balansdigitaal.nl](http://www.balansdigitaal.nl)

#### Website suggestion

[www.balansdigitaal.nl](http://www.balansdigitaal.nl), about dyscalculia (have difficulties with calculating).

### *Solutions exercises and homework*

#### Exercise page 3

#### RECEIPT

##### *The local supermarket*

€ 4.17	
€ 12.33	
€ 0.88	
€ 0.88	
€ 37.02	
€ 2.33	
€ 25.00	
€ 24.95	
€ 3.11	
<hr/>	
€ 110.67	+



Exercise page 8

5 percent of 90 euros = € 4.50

10 percent of 90 euros = € 9

100 percent of 40 euros = € 40

60 percent of 40 euros = € 24

40 percent of 40 euros = € 16

Exercise page 9

How much does Sabrina have to pay for 3 bottles of cola?

€ 1.78

And how much would Sabrina had had to pay if the cola had not been on sale?

€ 2.67

How much deduction does Sabrina get in total?

€ 0.89

Exercise page 11

What does brand A cost per litre?

€ 0.92

Which brand is the cheapest?

**B**

Exercise page 11

Which biscuits are the cheapest?

**same price**

Exercise page 12

How much do you have to save in order to be able to buy a new refrigerator after 10 years?

€ 35

How much is that per month?

€ 2.92

Exercise page 12

What amount does Sabrina save in a year for the stereo installation?

€ 480

What amounts does she have to save during the coming three months to arrive at 40 euros?

**38 + 40 + 40**

Exercise page 13

What is the result?

**832**

How much money do Peter and Sabrina have on their savings account after a year?

€ 832

Exercise page 14

Peter and Sabrina leave the money for another year. They get 4 percent interest. You also get interest over the interest of the first year.

**solution b is the right answer**

How much money do they have on their savings account after 2 years?

**€ 865.28**

Exercise page 14

How much interest do Peter and Sabrina have to pay after 1 year?

**€ 180**

How do you calculate this?

**€ 0.09 x 2,000.00**

Peter and Sabrina want to repay their loan after 1 year. How much do they have to repay in total to the bank?

**€ 2,180.00**

Exercise page 15

How much interest do Peter and Sabrina have to pay after 2 years?

**€ 360**

How do you calculate this?

**€ 0.09 x 2,000.00**

**180 x 2 = € 360**

Peter and Sabrina want to repay their loan after 2 years. How much do they have to repay in total to the bank?

**€ 2,360 (presuming that they did pay the € 180 interest in the first year).**

Exercise page 16

How much do you have to pay in total after a year?

**€ 522**

How much do you pay more compared to when you pay the washing machine directly?

**€ 72**

Homework

**Telephone costs**

$25+25+24+26+23+27+22+28+21+29+25+25= 300$

These are the telephone costs of 12 months (1 year).

What is the average of those amounts?

**€ 25**

### Telephone card for your mobile phone

How many telephone cards does she use in average per month?

**1.25**

How many telephone cards does she use in average per year?

**15**

What does this cost per year?

**€ 300**

### The income of Peter

How much does he get grossly per month?

**€ 2,150.00**

He has to pay 40 percent tax over 25,800 euro. How much tax does he pay?

**€ 10,320.00**

how much does he earn net per year?

**€ 15,480.00**

How much is that per month?

**€ 1,290.00**

### Holiday pay

How much holiday money does she get per month?

**€ 54.50**

How much does she still have to save?

**€ 213**

How much is this per month?

**€ 17.75**

### Discount in the shop

In the shop is written *40 percent discount*.

What is the new price if you get a discount on 100 euros?

**€ 60**

Old price	80 euros	100 euros	176 euros
Discount	10 percent	8 percent	25 percent
How much discount?	<b>8 euros</b>	<b>8 euros</b>	<b>44 euros</b>
New price	<b>72 euros</b>	<b>92 euros</b>	<b>132 euros</b>

### Buying and repayment

How much do you have to pay in total after a year?

**€ 616**

How much do you pay more compared to when you pay the washing machine directly?

**€ 66**



## Remain independent (supplementary module)

### *Aim*

In this module the participant (especially the older one) learns which possibilities are there to get help in order to remain living independently.

### *Extra exercises*

#### Statements

Discuss the following statements:

- to pay someone who helps you with little things is nonsense.
- I do not want that other people look into my administration.

#### <supplement: other statements>

#### Guest speaker

Invite someone for example of an elderly people organisation to have him explain about all sorts of facilities that are there for elderly people. The Nibud organizes readings about this topic (that cost something). Look for more information on [www.nibud.nl](http://www.nibud.nl).

### *Nibud materials that go with this module*

Also use the following Nibud materials with this module:

**Intelligent money suggestions for seniors**, a free leaflet for your participants; it can be downloaded via [www.nibud.nl](http://www.nibud.nl).

### *Background information*

#### Website suggestions

[www.nibud.nl](http://www.nibud.nl), information for elderly people  
[www.humanitas.nl](http://www.humanitas.nl)

### *Extra information for the participants*

Extra information for the module Remain independent.

## Extra information for the module Remain independent

### Suggestions

- Some housing organisations have a professional house jobs service for renters. Ask your housing organisation whether you can call upon a house job service and how much it costs. In many communities there also are voluntary projects. You can ask a volunteer to do little jobs in the house for you. In that case you really only pay the costs that (s)he makes for this job. Get informed at your community.
- The tax rates are lower for people above 65 and there are special elderly deductions. You can also register your sanitary costs on the tax return form to get tax money refunded. Think of your premium for your health insurance or the costs for a pair of glasses or medicine that you do not get refunded. So do fill in the tax return form, the Tax office will be able to help you with it. Call 0800-0543 (free) or look on [www.belastingdienst.nl](http://www.belastingdienst.nl).
- Many elderly people are entitled to tax deduction in relation with their sanitary costs but find it difficult to fill in the form for it. You can get help with this. For more information go to the elderly office in your community or have a look on [www.aangifteloont.nl](http://www.aangifteloont.nl).
- A deputy can give pay orders to the bank on your behalf, but you always will remain in charge of your money. If you do not agree with a payment, call your bank. The money will be retransferred to your account. You can also always withdraw an authorisation.
- Many supermarkets have a delivery service. Often you have to go yourself to the shop to get and pay your shopping. Next there will be someone of the supermarket that puts your shopping into the bags. Then they will be delivered at your house during the day. The delivery service of a supermarket is sometimes for free and sometimes you pay up to about €2.50 every time.
- In some supermarkets it is even possible to order your shopping by phone. First you call to give your order to the supermarket. Someone of the supermarket will take all the items on your list and puts them into bags for you. Then you pay the shopping when they deliver it at your home. A phone service like this often costs a little bit more than a normal delivery service.
- Can you not walk very well? You do not need to stay home. Practically all communities organize special transport for elderly people and handicapped people. Call for more information the elderly office of your community.
- Ask for the white hair deduction! Your age also has financial advantages. More and more organisations give reductions to people over 65. You often can travel, go on a vacation, go to the cinema or follow a course for less.
- If you have difficulties to cope with your money, the community can give you some extra money in some cases. For example if your house needs to be adapted to your wheelchair, you can get a financial contribution for it. The community can also help you to arrange this. Though also if you have little money for other reasons, the community can help you! Ask your elderly people community assistant for it. These arrangements are made especially for people over 65, so use them!

## Shopping via the web (supplementary module)

### *Aim*

In this module the participant learns to recognise the traps of shopping via the web.

### *Extra exercises*

#### Start task

Ask the participants their opinion about internet shopping. Write down all the arguments for and against this kind of shopping on the blackboard. Is internet shopping save, fun, boring, are there advantages and disadvantages, etc.?

#### Discussion task

Split up the group into two parts. Let the one group think of arguments in favour of internet shopping and the other of arguments against internet shopping. Make the groups discuss with each other.

### *Background information*

#### Website suggestions

[www.vergelijk.nl](http://www.vergelijk.nl)

[www.kieskeurig.nl](http://www.kieskeurig.nl)

[www.3xkloppen.nl](http://www.3xkloppen.nl)

[www.thuiswinkel.org](http://www.thuiswinkel.org)

From research to the safety perception about internet online-banking results that 98% of the internet bankers find internet online-banking safe, though still 20% takes insufficient measures (research done by The Choice, commissioned by the NVB (Nederlandse Bankiersvereniging, Dutch Bankers Organisation), April 2008). Many people who do internet online-banking have old or even no antivirus spywareprogrammes or spam filters installed on their computer. Only a part of the consumers regularly downloads updates of these programmes. Not to mention the risks of illegal software. Too many people reply to unknown e-mails. The campaign 3x kloppen (knock 3 times) makes consumers aware that there are some rules that they have to stick to.

Source: [www.3xkloppen.nl](http://www.3xkloppen.nl)

## The year overview (working sheet 1)

### Planning expenses with your year overview

The year overview has to be used to plan high, irregular expenses. The trick is to make rich and expensive months coincide as much as possible. After all in rich months you have extra incomings for high, irregular expenses. The money that remains at the end of a rich month, you could also put aside for high, irregular expenses in another expensive month.

You can do this exercise well if you fill in the year overview completely. That is a big job that will take you a few afternoons or evenings. You will then have a superpractical overview to plan your expenditures with.

Answer the following questions:

What are your rich months?

.....

What are your expensive months?

.....

Which expensive month coincides with a rich month?

.....

Is the amount that you get that month sufficient for your high, irregular expense(s)?

Yes.

Congratulations! You have applied the year overview optimally.

No.

A shame, though do not be sad! Take a look at your year overview to see when you will have another rich month. Perhaps you can use (in part) the 'superfluous' money of that month for your high expense(s). Or look at the module Saving money for suggestions on how to spend less.

Which expensive month comes after a rich month?

Try to put aside the money that you will have 'in exuberance' that month, so that you can pay the high expense that you will have in a few months time.

## The month estimation (working sheet 2)

Make your own estimation

On [www.nibud.nl](http://www.nibud.nl) you can get the Personal budget advice. With this you can make your own estimation.

Start the programme and fill in the following details:

- your age.
- the rent of your house.
- your net income. Your net salary is about two thirds of your gross salary. 'Net' is the amount that you get after you have paid taxes over your salary.
- your holiday pay. The holiday pay per month is 5% of your net income.

When you have filled in all, click on Next. You get four estimations on your screen:

- a Basis estimation, herein is written which amounts are minimally needed for all the budget items
- an Average estimation, with the amounts that similar households spend in average on all the budget items
- a Closing estimation: this is an example of an estimation in which the expenditures are exactly tuned in on the amount of your incomings
- in Own input you can fill in your own estimation.

Look at Total fixed costs. What do you spend minimally on this per month?

Look at Total household expenses. What do you spend minimally on this per month?

What are the extra expenses? What do you spend minimally on this per month?

.....

Make you own estimation in the column Own input.

Print the Personal budget advice and take it to the next lesson.

## Available from the Nibud

From the Nibud you can obtain the following materials that you can use during your course:

Money & behaviour, Budget guide for the professional teaching.

Control over your purse

Where does the money go, Keeping

Where does the money go, Keeping track

Where does the money go, Estimating

101 Goed met Geld tips (101 Clever-with-Money-Suggestions)

Financial education? Do it like this!

The Board newspaper

You find more information on these materials on [www.nibud.nl](http://www.nibud.nl).