

### **Step 6: Financial Action Plan** (5-10 minutes)

Ask the participants to create an *Action Plan* for how they will achieve their short-term and long-term financial goals. Examples may include: opening a savings account, building credit, buying a used car, applying for an apartment, or going back to school. Participants will focus on small steps to achieve these bigger financial goals.

For example, improving your credit score is a big financial goal that can be divided up into small, achievable steps and shorter-term goals. The first step might be to create a list of debts. The second step might be working through one debt at a time, using one of the debt-payoff techniques outlined in Workshop 7. The third step could be applying for a secured or beginner credit card after all debts are paid off. These steps are short-term goals that can help an individual achieve a better credit score, which can help them with future financial goals, such as getting lower interest rates on loans or mortgage payments.

Emphasize the importance of focusing on small, achievable steps, which can build self-efficacy. Self-efficacy is defined as “people's beliefs in their capabilities to exercise control over their own functioning and over events that affect their lives. One's sense of self-efficacy can provide the foundation for motivation, well-being, and personal accomplishment.”<sup>4</sup> Encourage collaboration between participants. Allow 5-10 minutes for each person to complete their Action Plan.

### **Discussion:**

Once everyone's PDPs are complete, make sure to include time for sharing and discussion on how the process went. Ask participants to share what they liked or disliked, what they found useful, and how the activity made them feel. You can also ask the participants to share one item on their Financial Dreams/Goals or Action Plan with the class.

If they don't finish their PDPs by the end of class, participants can work on them at home or spend the beginning of next class finishing them up. Make sure the participants save their completed PDPs so they can refer back to them throughout the course.

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<sup>4</sup> <https://www.simplypsychology.org/self-efficacy.html>