

# Activity 1.1

## Unit Word Search

Name \_\_\_\_\_ Date \_\_\_\_\_ Hour \_\_\_\_\_

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### *Student Materials*

Pencil

### *Directions*

Fill in the blank with the correct term from the word bank. Find the word within the word search.

### Word Bank

budget	income	wages
career	need	want
expenses	salary	
financial planning	standard of living	

1. \_\_\_\_\_ is money that you receive.
2. An occupational plan with a series of steps and choices is a \_\_\_\_\_.
3. A roof over your head is an example of a \_\_\_\_\_.
4. Planning where your money will go is a spending plan, also known as a \_\_\_\_\_.
5. A \_\_\_\_\_ is how comfortably you can live based on your financial resources.
6. Money earned from an hourly job is often referred to as \_\_\_\_\_.
7. A pair of designer jeans is an example of a \_\_\_\_\_.
8. A \_\_\_\_\_ is often given as a set amount per year.
9. Managing money in order to make the most of it is \_\_\_\_\_.
10. Money that you spend, whether on bills or for fun, is your \_\_\_\_\_.

K O R U M C F C Z M L F N I N N S A T B B V X K Q  
 G N I N N A L P L A I C N A N I F E W Q O H U O D  
 O B V H M O T R D F D H C H J C G U M L A T C M M  
 R R F H M Q J Y I Y C X K I L D O U F S M E C C Y  
 Y S S T N D H U K P O B S T U J I M D A D I A J P  
 G V L R D C C Q U V H I D B S C Q K E L P L T V M  
 P N A Z D R F R Q O N Y M F J I S T G A H I L Q D  
 E H I L W P I P Q W B V A R Y S B P J R D A G V R  
 X L G V Q Q P R Y G M C P O D T E O C Y G T Y X K  
 W V Q E I Y W B O U I T H M W N F L B C J S N E Y  
 P E P X L L T S K U N D U P L V U V G A T M A Y L  
 I B J U N T F P F B Z S V P L Z D Q R O A S V K S  
 Z C Q J F C V O O D E E N S T T F Q I I W R N Y U  
 C A R E E R W W D D R Y P V G P Y B T Q J L A X K  
 C B W T S A P K R R F G D Q H Q P W U R B U M Q I  
 S A D T G V E U P E A Q D O Q P L J D J M I I B W  
 E E T E A H L X V J E D D Z N D I P O S T Y Q F F  
 S E S N L N L E J F J T N D U A W U D F M N M D J  
 N D B I A F Q S X Z B I Y A T L K G J G I J Q A N  
 E O V A Y W O I J W C G M X T T Y P J L D M N Q R  
 P S R E K U Y E H W R F U P V S W P C X I K H U L  
 X B P D U C R W F E K W P C N B S Z V S I M G W Z  
 E Q V C I P E R I X U P I R E I P O T M Z G E S W  
 Z A F K R O B V R U A L Q T P H R I G M R S A R C  
 V B S Q K Y P Q R S T E G L I B B E C I T P G S J

### Word Bank

budget	income	wages
career	need	want
expenses	salary	
financial planning	standard of living	

# Activity 1.2

## Attitudes About Money

Name \_\_\_\_\_ Date \_\_\_\_\_ Hour \_\_\_\_\_

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### Introduction

Everyone has personal beliefs about what is important in life. These are known as values. Values almost always come from our families and how we are raised. People tend to internalize experiences and observations as they grow up. That is why values rarely change much over a lifetime. Although values affect attitudes, attitudes tend to be more flexible. Examine what attitudes about money you encountered while growing up.

1. What is your earliest memory about money?

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2. Who managed the money when you were growing up?

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3. Did your family talk about money while you were growing up? What type of conversations do you remember overhearing?

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4. Look at your parents or other family members who raised you. What was your mother/female relative's attitude about money?

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5. Did she tell you anything about money? If so, what? If not, why do you think she didn't talk to you about money?

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6. What was your father/male relative's attitude about money?

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7. Did he tell you anything about money? If so, what? If not, why do you think he didn't talk to you about money?

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8. What did you spend your money on while growing up?

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9. There are many sayings about money. Which one best reflects your family's attitude about money while you were growing up? Check one and explain why.

Money doesn't grow on trees.

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It's only money.

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A penny saved is a penny earned.

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Money is burning a hole in your pocket.

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Money is the root of all evil.

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Money can't buy happiness.

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Money can buy happiness.

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10. Overall, how do you think your upbringing and family affected your attitude about money? Is there something you would like to change? What?

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## Activity 1.3

### Develop a Spending Plan

Name \_\_\_\_\_ Date \_\_\_\_\_ Hour \_\_\_\_\_

#### **Introduction**

Spending plans are the key to a financially healthy life that begins with knowing what your income is and where your money is going. Successfully reaching financial goals comes from creating and following a spending plan based on your individual situation. It is also important to review spending plans as situations, wants, and needs change over time.

#### **Sample spending plan**

Angie is 20 years old and lives in an apartment with a roommate. She works at a clothing store at the mall while taking one class a semester at the community college. Sometimes she helps out as a waitress at her family's restaurant. Angie pays the tuitions, fees, and books for this course with her credit card. It is the only thing she puts on her credit card. She wants to enter a four-year university in about 1-1/2 years, so she is saving for that plus an emergency fund.

#### **Angie's Spending Plan for May 2012**

	PROJECTED	ACTUAL	+ or -
<b>INCOME (after taxes)</b>			
Clothing store	\$1120	\$1095	-25
Family's restaurant	0	\$125	+125
<b>TOTAL</b>	<b>\$1120</b>	<b>\$1220</b>	<b>+\$100</b>
<b>FIXED EXPENSES</b>			
Mortgage/rent	\$275	\$275	0
Car loan	\$145	\$145	0
Car insurance	\$80	\$80	0
Cell phone	\$75	\$75	0
Cable/Internet	\$20	\$20	0
Credit card payments	\$50	\$50	0
Savings – emergency	\$50	\$50	0
Savings – college	\$100	\$100	0
<b>TOTAL</b>	<b>\$795</b>	<b>\$795</b>	<b>\$0</b>
<b>VARIABLE EXPENSES</b>			
Electricity	\$30	\$42	+12
Gas	\$25	\$18	-7
Water/sewer	\$20	\$24	+4
Gasoline/car maintenance	\$60	\$90	+30
Clothing	\$25	\$40	+15
Groceries/Household items	\$40	\$40	0
Dining out	\$50	\$75	+25
Entertainment	\$25	0	-25
Personal care	\$25	\$35	+10
Charity	\$25	\$25	0
<b>TOTAL</b>	<b>\$325</b>	<b>\$389</b>	<b>(over budget) \$64</b>

**Directions**

Develop a spending plan using the following template or create one of your own.

\_\_\_\_\_ Spending Plan for \_\_\_\_\_

	<b>PROJECTED</b>	<b>ACTUAL</b>	<b>+ or -</b>
<b>INCOME (after taxes)</b>			
Clothing store			
Family's restaurant			
<b>TOTAL</b>			
<b>FIXED EXPENSES</b>			
Mortgage/rent			
Car loan			
Car insurance			
Cell phone			
Cable/Internet			
Credit card payments			
Savings – emergency			
Savings – college			
<b>TOTAL</b>			
<b>VARIABLE EXPENSES</b>			
Electricity			
Gas			
Water/sewer			
Gasoline/car maintenance			
Clothing			
Groceries/Household items			
Dining out			
Entertainment			
Personal care			
Charity			
<b>TOTAL</b>			

# Activity 1.4

## Analyze Budgeting Case Studies

Name \_\_\_\_\_ Date \_\_\_\_\_ Hour \_\_\_\_\_

**Directions**

It's important to not only create a spending plan, but also to analyze its effectiveness and be able to solve financial problems through budgeting. Read the following budgeting case studies and solve the problems. Show your calculations on a separate sheet of paper.

- Hannah wants to go spend two weeks in Spain with a group of friends after high school graduation. She has a year to save the money. For ten weeks this summer, she can work full-time (40 hours a week) as a receptionist in a legal office for \$8 an hour. During the school year, she's allowed to work 15 hours a week as a cashier in a grocery store for \$7.25 an hour as long as her grades stay up. This will be for 36 weeks. Approximately 20% of her income goes to taxes and other mandatory deductions.

Hannah already has \$525 saved up. She expects two sets of grandparents to send her \$100 for both her birthday and Christmas. Her average monthly expenses are:

Gas for car	65.00
Cell phone bill	55.00
Clothing	85.00
Entertainment	100.00
Eating out	75.00

The trip to Spain is \$2535, which includes transportation, lodging, and one meal a day. She also has the option of a day trip to Morocco for \$155. She would like to see Morocco, but she doesn't mind giving it up if she has to. She would also like to take \$500 in spending money.

Make a spending plan for Hannah that determines her take-home pay and what changes you would recommend to her expenses in order for her to reach her goal of going to Spain.

INCOME	
Summer Income	
School Year Income	
<b>TOTAL INCOME</b>	
Less 20% Taxes	
Available Income from Working	
Birthday and Christmas Gifts	
<b>TOTAL AVAILABLE MONEY</b>	

	MONTHLY EXPENSES		
	CURRENT	SUGGESTED	SAVINGS
Gas for car			
Cell phone			
Clothing			
Entertainment			
Eating out			
<b>TOTAL</b>			

Total available money — annual expenses (current monthly total x 12) = \_\_\_\_\_ money available for trip

SPAIN TRIP	
Basic Spain Trip	
Morocco Trip	
Spending Money	
<b>TOTAL NEEDED FOR TRIP</b>	

Money Available for Spain Trip \_\_\_\_\_

Total Needed for Trip \_\_\_\_\_

Additional money needed for this trip \_\_\_\_\_



2. Kesha and Oliver are newlyweds. Their income and expenses are listed. Prepare a monthly spending plan that allows for them to save at least 10% of their take-home pay.

Kesha's take-home pay: \$925.00

Oliver's take-home pay: \$875.00

Expenses

Rent	400.00
Utilities	130.00
Gasoline	114.00
Car payment	210.00
Car maintenance	50.00
Groceries	200.00
Cell phone	50.00
Insurance	150.00
Clothing/personal care	105.00
Entertainment	220.00
Miscellaneous	110.00

	TAKE HOME INCOME	
	CURRENT	SUGGESTED PLAN
<b>Kesha</b>		
<b>Oliver</b>		
<b>TOTAL</b>		
<b>FIXED EXPENSES</b>		
Rent		
Utilities		
Savings		
Car payment		
Insurance		
Cell phone		
<b>TOTAL FIXED EXPENSES</b>		
<b>VARIABLE EXPENSES</b>		
Gasoline		
Car maintenance		
Groceries		
Entertainment		
Clothing/personal care		
Miscellaneous		
<b>TOTAL VARIABLE EXPENSES</b>		
<b>TOTAL INCOME</b>		
<b>– TOTAL EXPENSES</b>		
<b>TOTAL AFTER EXPENSES</b>		

3. Tomás had a computer that quit working. Although he can get a desktop computer for not too much, he would like to get a good laptop that he can take to college in the fall. His college adviser recommended a certain type of laptop that will be most compatible with the ones used in many of his college courses. The laptop has several models that range from \$999 to \$2499; Tomás likes the model that costs \$1799. He can work as a lifeguard for 10 weeks during the summer for \$8.25 an hour. He can work up to 25 hours a week with 20% being deducted for taxes. He also has a lawn mowing business with his friend, David. They split their income 50/50. Together, they receive \$50 per lawn. They average 4 lawns a week. Here are Tomás's expenses that he will have to pay for two months. Make a spending plan for Tomás to see if he will have enough saved by the end of the summer to buy the computer he wants.

Car loan	175.00
Car insurance	105.00
Gasoline	50.00
Entertainment	75.00

<b>SAVINGS GOAL for computer</b>	<b>\$825.00</b>
<b>INCOME</b>	
Lifeguard (after taxes)	
Lawn mowing (Tomás's share)	
<b>TOTAL INCOME</b>	
<b>EXPENSES</b>	
Car loan	
Car insurance	
Gasoline	
Entertainment	
<b>TOTAL EXPENSES</b>	
<b>INCOME TOTAL</b>	
<b>MINUS EXPENSES TOTAL</b>	
<b>AMOUNT SAVED</b>	

4. Natalie is a senior in high school. She earns \$6 an hour plus tips working as a waitress approximately 25 hours a week at a local Italian restaurant. Approximately 25% of her base pay is deducted for taxes. She averages \$100 in tips each week. Natalie has another year of car payments at \$235 a month, but her parents pay her car insurance. She can usually pick up another 5-hour shift each week if she wants. Natalie also has these expenses:

Gasoline	\$45.00
Entertainment	\$100.00
Cell phone	\$40.00
Clothing	\$100 .00

Natalie has enough money saved to go to community college for a year. She's hoping that a scholarship will pay for the other year; if not, she will apply for a student loan. Currently, Natalie lives rent free with her parents, but would like to move into an apartment with her friend Jackie. She estimates her share of expenses would be \$500 a month. Make a budget for Natalie that will allow her to move out of her parent's home without giving up community college.

	TAKE HOME INCOME	
	CURRENT	SUGGESTED
<b>Regular shifts</b>		
<b>Extra shifts</b>		
<b>Tips</b>		
<b>TOTAL</b>		
EXPENSES		
Car payments		
Apartment expenses		
Gasoline		
Entertainment		
Clothing		
Cell phone		
<b>TOTAL FIXED EXPENSES</b>		
<b>TOTAL INCOME</b>		
<b>– TOTAL EXPENSES</b>		
<b>TOTAL AFTER EXPENSES</b>		

5. Max has a spending plan, but nothing is going the way he planned! He's been trying to pay off a credit card by doubling payments, but could only pay \$50 of the planned \$60. Because of scheduling, he was a few hours short of his budgeted income. He also overspent in a couple of areas, which meant that he didn't put anything into his savings account this month. Make some suggestions to Max on what he can do to fix his spending plan.

	BUDGETED AMOUNT	ACTUAL AMOUNT	DIFFERENCE
<b>INCOME (take home)</b>	\$825	\$810	-\$15.00
<b>FIXED EXPENSES</b>			
Rent	225	225	0
Utilities	105	105	0
Savings	50	0	-50
Car insurance	65	65	0
Credit card payment	60	50	- 10
Cell phone	30	30	0
<b>VARIABLE EXPENSES</b>			
Groceries	120	95	25
Eating out	50	80	-30
Entertainment	75	100	-25
Clothing	50	60	-10

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