Money Math Matters:
Life, Education, and Assessment

A mix of economic example lesson plans and activities to use in math instruction. Useful ideas for ESL to ASE. Best practices in math and personal financial literacy. Lessons include student activities and background information on economic or personal finance content and how it relates to mathematics. These activities have varied lesson delivery styles that reach a variety of learning styles. Students can apply their mathematics to real world situations.

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Money Matters: Making Decisions, Making Money, Budgeting, Banking Services, Saving and Investing, Credit, Buying a Home, Cars and Loans, Consumer Awareness, Consumer Privacy, Advertising

https://delicious.com/apccctc/
Some Financial Literacy Teaching Strategies

Using manipulatives when teaching math is important: Manipulatives help learners visualize the numbers and remember as much as possible. You are trying to make numbers come to life for your learners. Base your instruction in your learners’ real world experience and have manipulatives on hand to show them what you’re talking about.

- Everyday Money Activities
- Bag of tricks “Realia”
- Financial Literacy, Health Literacy, Social Studies, Science, etc.
- Multiple Intelligence learning strengths

Accelerated or individualized: a system of having students work at different levels individually in one classroom. They progress by scoring higher on assessments for each unit and moving at their own pace.

Building vocabulary: Use brief, random, and recurrent assessments to help students build basic subject-specific vocabulary and also gauge student retention of subject-specific vocabulary. Review money and mathematical vocabulary concepts using math games. Student developed glossaries can be used; where students keep track of key content and concept words and define them in a log or series of worksheets that they keep with their text to refer to.

Design multi-sensory lessons: that address various student learning styles, i.e., visual, auditory, tactile, and kinesthetic.

Generate data from real life experiences: involving all aspects of an adult’s life, including education, family, neighborhood, employment, and community, in teaching the child useful life and educational skills.

Integrate educational technology: tools, i.e., online tools, interactive Office documents, online math websites, and interactive computer games.

Problem solving instruction: explicit instruction in the steps to solving a mathematical or science problem including understanding the question, identifying relevant and irrelevant information, choosing a plan to solve the problem, solving it, and checking answers.

Reinforcing math skills through games: Using games to follow-up a lesson in order to reinforce learned skills and use the skills in another context.

Student generated word problems: Have students create word problems for a specific math skill. Through the construction of a problem the students learn what to look for when solving word problems they are assigned. Students learn to understand the setup of a mathematical situation.

Tactile, tangible experiences: Using three dimensional objects in math instruction such as geometrical shapes, coins, or blocks used to form various geometrical shapes. Integrate hands-on activities by using manipulatives, real life materials, and calculators. Use visuals whenever possible to reinforce auditory instruction, i.e., charts, graphs, manipulatives, diagrams, models, real objects.

Using Graphic Organizers: employing visual displays to organize information into things like trees, flowcharts, webs, etc. They help students to consolidate information into meaningful whole and they are used to improve comprehension of stories, organization of writing, and understanding of difficult concepts in word problems.
Financial Literacy WORD SORT

When you have chosen your 3 to 5 different words for each group of math words or phrases, explain below why they belong in this group. Complete sentences preferred and a title won’t hurt.

Word Group Title 1: ________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Word Group Title 2: ________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Word Group Title 3: ________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
### Word Bank

- consumers
- opportunity cost
- incentive
- supply
- demand
- market
- recession
- competition
- specialization
- profit
- total
- inflation
- revenue
- traditional economy
- reduce
- combined
- market economy
- remain/remaining
- tariff
- the result is
- average
- how many in all
- how many more
- development
- trade
- whole
- productivity
- quotient
- wants
- export
- command economy
- how many less
- gross Income
- increased by
- how much left
- mixed economy
- import
- gross domestic product
- yields
- increase
- less than
- garnishment
- loan
- gross earnings
- nearer
- capacity
- more than
- cost of living
- needs
- taxes
- credit
- payday loans
- sum
- cost
TRUE/FALSE QUESTIONS

Click choose an item or write T or F on the line,
ARE YOU HEAVY ON THE MUST-HAVES?

1. I worry about having enough money to cover my regular bills, like my electric bill. _____
Choose an item.
2. It seems like most of my money goes to things I cannot control, like rent or car payments. Choose an item.
3. By the time I pay my bills, there is hardly anything left over. _____
Choose an item.
4. The cost of living for just the basics - housing, car, insurance - seems way out of reach. _____
Choose an item.
5. I only spend money on things I need, but there still is not enough. _____
Choose an item.
6. Even though I never buy anything extravagant, I do not have anything in savings. _____
Choose an item.
7. I cannot think of anything in my budget that I could really cut back on. _____
Choose an item.

If you marked true to more than one, you are probably heavy on the must-haves.

DO YOU OVERSPEND ON WANTS?

1. When I go shopping, I am never quite sure how much I can afford to spend on things. _____
Choose an item.
2. When I see something I really want, I just buy it, even if I do not have the money. _____
Choose an item.
3. I never know where all the money goes. _____
Choose an item.
4. I buy things, and then after I get them home I worry that I couldn’t really afford them. _____
Choose an item.
5. Worrying about money sometimes takes the pleasure out of outings that are supposed to be fun. Choose an item.
6. When holidays or birthdays come up, I am not sure how much I can afford to spend. _____
Choose an item.
7. I probably spend too much on clothes, restaurant meals, and/or going out for fun. _____
Choose an item.
8. I work hard, so I buy the things I deserve. _____
Choose an item.

If you marked true to more than one, you are probably overspending on wants
Below are three groups of coins. Your challenge: As coins are shuffled in and out of these groups, see if you can figure out how much money is in each group each time. Each numbered challenge tells you some necessary information and then ask you to fill in the omitted numbers to solve each problem.

Coins used: Pennies, Nickels, Dimes, Quarters

Write your answers in the spaces provided. The first question group has been completed as an example.

<table>
<thead>
<tr>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 2 coins</td>
<td>3 coins</td>
<td>4 coins</td>
<td>9 coins</td>
</tr>
<tr>
<td>11¢</td>
<td>16¢</td>
<td>12¢</td>
<td>39¢</td>
</tr>
</tbody>
</table>

The total number of dimes in the three groups above is _______ .

<table>
<thead>
<tr>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. ___ coins</td>
<td>___ coins</td>
<td>5 coins</td>
<td>12 coins</td>
</tr>
<tr>
<td>45¢</td>
<td>26¢</td>
<td>___¢</td>
<td>89¢</td>
</tr>
</tbody>
</table>

The total number of nickels in the three groups above is _______ .

<table>
<thead>
<tr>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. 7 coins</td>
<td>___ coins</td>
<td>3 coins</td>
<td>___ coins</td>
</tr>
<tr>
<td>___¢</td>
<td>31¢</td>
<td>___¢</td>
<td>91¢</td>
</tr>
</tbody>
</table>

The total number of quarters in the three groups above is _______ .

<table>
<thead>
<tr>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. ___ coins</td>
<td>5 coins</td>
<td>5 coins</td>
<td>___ coins</td>
</tr>
<tr>
<td>37¢</td>
<td>27¢</td>
<td>___¢</td>
<td>$1.10</td>
</tr>
</tbody>
</table>

The total number of pennies in the three groups above is _______ .
## Solutions:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2 coins</td>
<td>3 coins</td>
<td>4 coins</td>
<td>9 coins</td>
</tr>
<tr>
<td></td>
<td>11¢</td>
<td>16¢</td>
<td>12¢</td>
<td>39¢</td>
</tr>
</tbody>
</table>

The total number of dimes in the three groups above is **4**.

<table>
<thead>
<tr>
<th></th>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>3 coins</td>
<td>2 coins</td>
<td>5 coins</td>
<td>12 coins</td>
</tr>
<tr>
<td></td>
<td>45¢</td>
<td>26¢</td>
<td>42¢</td>
<td>89¢</td>
</tr>
</tbody>
</table>

The total number of nickels in the three groups above is **9**.

<table>
<thead>
<tr>
<th></th>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>7 coins</td>
<td>4 coins</td>
<td>3 coins</td>
<td>9 coins</td>
</tr>
<tr>
<td></td>
<td>65¢</td>
<td>31¢</td>
<td>36¢</td>
<td>91¢</td>
</tr>
</tbody>
</table>

The total number of quarters in the three groups above is **5**.

<table>
<thead>
<tr>
<th></th>
<th>GROUP 1</th>
<th>GROUP 2</th>
<th>GROUP 3</th>
<th>GROUP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>4 coins</td>
<td>5 coins</td>
<td>5 coins</td>
<td>5 coins</td>
</tr>
<tr>
<td></td>
<td>37¢</td>
<td>27¢</td>
<td>41¢</td>
<td>$1.10</td>
</tr>
</tbody>
</table>

The total number of pennies in the three groups above is **5**.
It’s Raining Quarters, Dimes, Nickels, and Pennies

In column A, is the amount of money; in column B, is the number of coins that make up the first column’s amount. In the spaces provided in under column C, write the number of coins that make up column A’s amount. The coins are quarters (Q), dimes (D), nickels (N), and pennies (P). The first question has been completed as an example.

<table>
<thead>
<tr>
<th>#</th>
<th>A. Money Amount</th>
<th>B. Coin Amount</th>
<th>Q</th>
<th>D</th>
<th>N</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>25¢</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>35¢</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>33¢</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>46¢</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>56¢</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>17¢</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>43¢</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>29¢</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>54¢</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>57¢</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>48¢</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>34¢</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Solutions:

<table>
<thead>
<tr>
<th>#</th>
<th>C. Money Amount</th>
<th>D. Coin Amount</th>
<th>Q</th>
<th>D</th>
<th>N</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>25¢</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>35¢</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>33¢</td>
<td>8</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>46¢</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5.</td>
<td>56¢</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>17¢</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>7.</td>
<td>43¢</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>8.</td>
<td>29¢</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>54¢</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>10.</td>
<td>57¢</td>
<td>7</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>11.</td>
<td>48¢</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>12.</td>
<td>34¢</td>
<td>8</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>
The Penny Worksheet

<table>
<thead>
<tr>
<th>Day &amp; Pennies</th>
<th>Exponent</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>One a Penny</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One a penny,</td>
<td>$ 0.01</td>
<td></td>
</tr>
<tr>
<td>Two a penny,</td>
<td>$ 0.04</td>
<td></td>
</tr>
<tr>
<td>Three a penny,</td>
<td>$ 0.27</td>
<td></td>
</tr>
<tr>
<td>More,</td>
<td>$ 0.44</td>
<td></td>
</tr>
<tr>
<td>Four a penny,</td>
<td>$ 0.66</td>
<td></td>
</tr>
<tr>
<td>Five a penny,</td>
<td>$ 0.88</td>
<td></td>
</tr>
<tr>
<td>That's a nickel more</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One a Penny</td>
<td></td>
<td></td>
</tr>
<tr>
<td>That's a dime for the store!</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Day & Pennies | Exponent | Total Amount |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 0.01</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$ 0.04</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$ 0.27</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$ 0.44</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$ 0.66</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$ 0.88</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Solutions

<table>
<thead>
<tr>
<th>Day &amp; Pennies</th>
<th>Exponent</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1^1$</td>
<td>$0.01$</td>
</tr>
<tr>
<td>2</td>
<td>$2^2$</td>
<td>$0.04$</td>
</tr>
<tr>
<td>3</td>
<td>$3^3$</td>
<td>$0.27$</td>
</tr>
<tr>
<td>4</td>
<td>$4^4$</td>
<td>$2.56$</td>
</tr>
<tr>
<td>5</td>
<td>$5^5$</td>
<td>$31.25$</td>
</tr>
<tr>
<td>6</td>
<td>$6^6$</td>
<td>$466.56$</td>
</tr>
<tr>
<td>7</td>
<td>$7^7$</td>
<td>$8235.43$</td>
</tr>
<tr>
<td>8</td>
<td>$8^8$</td>
<td>$167,772.16$</td>
</tr>
<tr>
<td>9</td>
<td>$9^9$</td>
<td>$3,874,204.89$</td>
</tr>
<tr>
<td>10</td>
<td>$10^{10}$</td>
<td>$100,000,000.00$</td>
</tr>
<tr>
<td>11</td>
<td>$11^{11}$</td>
<td>$2,853,116,706.11$</td>
</tr>
<tr>
<td>12</td>
<td>$12^{12}$</td>
<td>$8,916,100,448.12$</td>
</tr>
</tbody>
</table>
### $10 Rates

**Directions:**
The longer your money sits in the bank, the more money it will earn for you. The money earned is called interest. The higher the interest rate, the more money you earn. Fill in the chart below, assuming you are figuring out the money earned on a deposit of $10 (for simple interest).

Future Value of money: $10.00

<table>
<thead>
<tr>
<th>Years</th>
<th>5%</th>
<th>8%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Use [Interest Rate Formula: Interest (I) = Principal(P) x Rate(R) x Time(T)]

\[ I = PRT \]
Grocery Shopping 101

Choose your answer from the drop downs that follow the questions.

<table>
<thead>
<tr>
<th>CHICKEN LEGS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NET WT.</td>
<td>PRICE PER LB.</td>
<td>TOTAL PRICE</td>
</tr>
<tr>
<td>6.75 LB.</td>
<td>$2.00</td>
<td>$13.50</td>
</tr>
</tbody>
</table>

1. How much does the package cost? Choose an item.

2. How much does it cost per pound? Choose an item.

3. How much does it weigh? Choose an item.

4. How many pounds will I be able to buy with $17.00? Choose an item.

5. What will 9.25 pounds of chicken legs cost? Choose an item.

<table>
<thead>
<tr>
<th>GROUND BEEF</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL PRICE: $27.63</td>
<td>PRICE PER LB.: $4.25</td>
<td>NET WT.: 6.5 LBS.</td>
</tr>
</tbody>
</table>

1. How much does the package cost? Choose an item.

2. How much does a pound cost? Choose an item.

3. How much does it weigh? Choose an item.

4. How many pounds of ground beef will I be able to buy with $96.50? Choose an item.

5. What will 4.25 pounds of ground beef cost? Choose an item.
Sale Price & Coupons

Some department stores offer markdowns on items that are already on sale. The customer must bring in a coupon to get the markdown. Those coupons are usually distributed by mail or in the newspaper. Look at the coupon below. Notice that most items are 20% off. Items like jewelry are only 10% off. Read all details on the coupon to see which items are on sale and what percent you will save.

Final Cost = Regular Selling Price x Markdown = Sale Price x Coupon Markdown Rate = Final Sale

Formula = two steps:
Regular Selling Price x Markdown
Sale Price x Coupon Markdown Rate
= Final Sale

<table>
<thead>
<tr>
<th>Item</th>
<th>Regular Selling Price</th>
<th>Markdown Rate</th>
<th>Markup =</th>
<th>Sale Price</th>
<th>Coupon Markdown 25%</th>
<th>Price After 25% Coupon = Final Sale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ralph Lauren Cologne</td>
<td>$110.00</td>
<td>X</td>
<td>0%</td>
<td>$110.00</td>
<td></td>
<td>$110.00</td>
</tr>
<tr>
<td>2. Skechers Shoes</td>
<td>$69.99</td>
<td>X</td>
<td>10%</td>
<td>$63.99</td>
<td></td>
<td>$63.99</td>
</tr>
<tr>
<td>4. Carry on Luggage</td>
<td>$59.00</td>
<td>X</td>
<td>10%</td>
<td>$53.10</td>
<td></td>
<td>$53.10</td>
</tr>
<tr>
<td>5. Fossil Watch</td>
<td>$90.00</td>
<td>X</td>
<td>10%</td>
<td>$81.00</td>
<td></td>
<td>$81.00</td>
</tr>
</tbody>
</table>
### Pay Check Deductions

Using the paycheck information below; calculate what percent each of the following is of the gross (pretax) income and write it on the lines after the questions:

<table>
<thead>
<tr>
<th>Earnings</th>
<th>rate</th>
<th>hours</th>
<th>this period</th>
<th>year to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>10.00</td>
<td>32.00</td>
<td>320.00</td>
<td>15,640.00</td>
</tr>
<tr>
<td>Overtime</td>
<td>15.00</td>
<td>1.00</td>
<td>15.00</td>
<td>780.00</td>
</tr>
<tr>
<td>Holiday</td>
<td>10.00</td>
<td>6.00</td>
<td>80.00</td>
<td>416.00</td>
</tr>
<tr>
<td>Tuition</td>
<td>37.43</td>
<td>3.43</td>
<td>129.00</td>
<td>1,945.90</td>
</tr>
</tbody>
</table>

**Gross Pay** $452.43

<table>
<thead>
<tr>
<th>Deductions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory</strong></td>
<td></td>
</tr>
<tr>
<td>Federal Income Tax</td>
<td>- 45.22</td>
</tr>
<tr>
<td>Social Security Tax</td>
<td>- 29.03</td>
</tr>
<tr>
<td>Medicare Tax</td>
<td>- 6.96</td>
</tr>
<tr>
<td>NY State Income Tax</td>
<td>- 17.37</td>
</tr>
<tr>
<td>NYC Income Tax</td>
<td>- 8.23</td>
</tr>
<tr>
<td>NY SUI/SDI Tax</td>
<td>- 0.60</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td>Union Dues</td>
<td>- 5.00</td>
</tr>
<tr>
<td>401(k)</td>
<td>- 28.85</td>
</tr>
<tr>
<td>Stock Plan</td>
<td>- 5.00</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>- 5.00</td>
</tr>
<tr>
<td>Loan</td>
<td>- 30.00</td>
</tr>
</tbody>
</table>

**Adjustment**

| Life Insurance | + 13.50 |

**Net Pay** $273.85

* Excluded from federal taxable wages

Your federal taxable wages this period are $386.66
Use paycheck information to answer questions below.

1. Federal Income Tax _____________
2. State Income Tax _____________
3. FICA _____________
4. Medicare Tax _____________
5. Total Deductions _____________

True or False Paycheck Quiz

Check your understanding of taxes by answering the following questions.

1. Net pay is the total amount of income you receive during a pay period before taxes.
   - [ ] True  - [ ] False

2. FICA Federal Insurance Contributions Act
   - [ ] True  - [ ] False

Looking at it from the employer’s math

An employer has one employee, Bob Jones, who is paid $1800.00 per month before deductions. Bob is married and claims two exemptions. His net paycheck is $1478.10. The details of his paycheck are:

- Gross pay $1800.00
- Federal income tax -145.00
- State tax -39.20
- FICA tax -111.60
- Medicare tax -26.10

Net pay $1478.10: In addition, the employer must pay $111.60 for FICA and $26.10 for Medicare.

Question: What is the employer’s total labor expense for this month?
CREDIT CARD COMPARISON & EVALUATION

PART 1: Evaluate three different credit card applications AND determine the total cost of an item purchased on credit at three different rates of interest.

<table>
<thead>
<tr>
<th></th>
<th>Card 1</th>
<th>Card 2</th>
<th>Card 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Percentage Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grace Period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What card would you choose? CARD 1  CARD 2  CARD 3

Explain why would you choose this card? ____________________________

PART 2:

1. Circle the item you choose to purchase.
2. Determine the total cost of the item if purchased at three different rates of interest. Assume it takes three years to pay off.

<table>
<thead>
<tr>
<th>Item</th>
<th>Annual Percentage Rate</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptop</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Plasma TV</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>iPod</td>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>
Budget Scenarios

Scenario 1:
Josie Lim has no children but is used to working long hours and never getting errands done. She lives in a tiny studio apartment near Lincoln Park, ($1000/month) but longs to have a house of her own. Josie eats out a lot (7 meals a week @ an average of $7 each meal), takes her clothes to a laundry service ($0.60 a pound @ 20 pounds every 10 days), belongs to a health club ($475/month) and parks in parking garages all day while she works in the loop ($14.70/day). Even though she is a third year apprentice and makes $19.00 an hour, she never seems to have money left over. What are some things Josie can do to start saving up for a down payment on a house someday?

Scenario 2:
Ivette Jones loves to read and always buys the latest popular books as soon as they come out, usually in hardcover ($22-$35/book). She reads very fast so most of the time she goes through 2 to 3 books a week. Ivette’s favorite place to read is Starbucks, where she spends hours a day after work (3 times a week at least) just drinking and reading ($4/cup @ 2-3 cups a day). She lives alone in a garden apartment ($500/month) and takes the bus to work every day ($3/day). Her boss will let her change her schedule to fit around her pre-apprenticeship program once she gets in. She will be working 10 hours or so a week instead of 40 hours. At $8.00 an hour, that’s $80 a week she’ll be making ($52 a week take home after taxes). How can Ivette cut corners to compensate for unpaid pre-apprenticeship time?

Scenario 3:
Jennifer Williams is single and has no children. She is on the waiting list for the Carpenter’s pre-apprenticeship program and will start class in about six months. Between now and then she needs to save up for 9 weeks of unpaid training. Right now she works 40 hours a week at Starbucks, making $10.00 an hour. ($6.50 an hour after taxes, otherwise known as take home pay.) Lately she has been trying to work 5 hours of overtime a week, because she keeps coming up short on her bills. Jennifer’s monthly expenses include:
Jennifer cannot hang on to her money. Between cigarettes, dining out, cable TV and shopping, she is living beyond her means. Can you help Jennifer save for her pre-apprenticeship without ruining her life?

Scenario 4:

Mary Fields is a single mom with 1 child. Mary lives with her parents and attends school part-time. Mary needs to move into her own apartment in 6 months, and needs to save $2000. Mary makes $9.00 an hour before taxes. Her expenses include:

- Car payment $380.00/month
- Childcare $200.00/month
- Books for Class $250.00/every six months
- Tuition is $418.00/every six months
- Credit Card $150.00/month

While Mary is at class she usually spends $6.00 a day for lunch. Mary doesn’t like taking the train to work or to school because it costs her 2 extra hours of childcare a day. Other than her commute, she rarely uses her car, because she doesn’t have time or money to go out very much. How can she save up $2000 in six months?

Scenario 5:

Thomas and Martha Van Key are married and have five children all under 10. Thomas makes $8.00 an hour. Martha makes $15.00 an hour. In order to make ends meet they are already very thrifty. The problem is that they need a minivan so Martha can take a new job farther away from home and still pick up the kids after school care on the way home. They have no money for a down payment but they do have good credit. How much can they save in three months and how much can they afford for a monthly payment?

- Mortgage $1200/month
- Childcare $600/month
- Public Transportation $300/month
- Health Insurance $200/month
To save money, Thomas sews clothes and bakes bread and other goodies. Martha is also an able mechanic and can help maintain a car cheaply. They don’t need fancy things and rarely go out to dinner. Are there any other ways to cut corners and keep the seven Van Keys happy and healthy?

Scenario 6:

Edith Payne is a journey level carpenter who, based on previous experience, wants to set aside enough money to get through four months of unemployment if necessary without touching her savings. She has just purchased a home and is a single mother raising a 15 year old. Right now she is bringing home about $5000 per month working 6-10’s and believes this will continue for the next 6 months. If she receives $1400/month from unemployment once she is laid off, how much does she need to save and how much can she put away each month?

<table>
<thead>
<tr>
<th>Monthly Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
</tr>
<tr>
<td>Truck payment</td>
</tr>
<tr>
<td>Credit Cards</td>
</tr>
</tbody>
</table>

Edith spends a lot of money on gas driving 60 miles back and forth to work each day, a trip which also has her spending more money on fast food for breakfast and dinner at about $10 a day. Edith has a long distance romance with a hunky plumber in Wichita and moons around on the phone half the night with a whopping phone bill of $250 a month. Edith also needs to start saving for her son’s college education and keep him laced in all the latest fashions. How can Edith cut some corners?

Scenario 7:

Florence Fernandez has two kids, Sandy, 10 and Joe, 13. Sandy makes $18/hour as a manager but frequently works late with no overtime because she is salaried. Because Sandy often has to work late, she bought a satellite dish so her kids could watch lots of PBS while she is working late. Also, Sandy often brings home a lot of take-out (3 times a week at least) and prepared food to save time. Her grocery bill is $500/month and take out bills cost her family $234/month. Sandy needs to save for a 2 month unpaid pre-apprenticeship program in 4 months. How much can she save up in 4 months?

<table>
<thead>
<tr>
<th>Monthly Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take out &amp; Groceries</td>
</tr>
<tr>
<td>Rent</td>
</tr>
<tr>
<td>Entertainment</td>
</tr>
<tr>
<td>Clothes &amp; Nintendo</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
</tbody>
</table>
Budget Decision Making

Justine has just started her first job after graduating from college. She earns $45,000 per year. She has estimated all her annual expenses in her budget as percent of her yearly salary.

1. Convert Justine’s budget percentages to dollars.

Rent (with one roommate) 14%  Click here to enter text.
Food 13%  Click here to enter text.
Clothing 14%  Click here to enter text.
Transportation 9%  Click here to enter text.
Medical 4%  Click here to enter text.
Recreation 7%  Click here to enter text.
Federal Taxes 14%  Click here to enter text.
State Taxes 7%  Click here to enter text.
Savings 7%  Click here to enter text.
Miscellaneous 11%  Click here to enter text.

2. If Justine gets an apartment by herself, her yearly rent would be $11,600. What percent of her salary is that?

3. Subtract 14% from your answer to Question 2 to find the percent change in her rent expense in relation to her total budget.

4. Some things, like Federal taxes, cannot be changed because they are not under Justine’s control. What changes can she make so that she can move to her own apartment without too much of a burden on her current budget?

5. Do you think Nora should get her own apartment? Can she afford her own apartment? Why or why not?
Answers: Budget Decision Making

Justine has just started her first job after graduating from college. She earns $45,000 per year. She has estimated all her annual expenses in her budget as percents of her yearly salary.

1. Convert Justine’s budget percentages to dollars.

Rent (with one roommate) 14% $6,300
Food 13% $5,850
Clothing 14% $6,300
Transportation 9% $4,050
Medical 4% $1,800
Recreation 7% $3,150
Federal Taxes 14% $6,300
State Taxes 7% $3,150
Savings 7% $3,150
Miscellaneous 11% $4,950

2. If Justine gets an apartment by herself, her yearly rent would be $11,600. What percent of her salary is that?

3. Subtract 14% from your answer to Question 2 to find the percent change in her rent expense in relation to her total budget.

4. Some things, like Federal taxes, cannot be changed because they are not under Justine’s control. What changes can she make so that she can move to her own apartment without too much of a burden on her current budget?
   Possible answer: Decrease the clothing budget by 2%, miscellaneous budget by 5% and recreation budget by 2%.

5. Do you think Justine should get her own apartment? Can she afford her own apartment? Why or why not?
   Possible answer: Yes, so she can have her privacy. It is worth having less money to spend on other things.
How I Spend My Money
What’s Important to you?

Directions: Listed below are words describing some of the values that may affect your financial goals, decisions, and actions. Think about these values and others you feel are important. First, check the values that are important to you. Then, rate the importance of each value with 1 being the highest and 5 the lowest.

<table>
<thead>
<tr>
<th>Value</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td>✓</td>
</tr>
<tr>
<td>Peace</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
</tr>
<tr>
<td>Friends</td>
<td></td>
</tr>
<tr>
<td>Leisure</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>Family Relationships</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td></td>
</tr>
<tr>
<td>Equality</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>Knowledge</td>
<td></td>
</tr>
<tr>
<td>Others (list)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Needs versus Wants**

Directions: You may have many things you want and need. Think about these things. List 10 of the things you need or want.

Need - something that a person must have: something that is needed in order to live or succeed or be happy

Want - to desire or wish for (something)

<table>
<thead>
<tr>
<th>I need or want</th>
<th>Need</th>
<th>Want</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Place a ✓ in the column to identify the item as a need or want. Rate the importance of each need or want with 1 being the most important and 5 the least with a ✗.

<table>
<thead>
<tr>
<th>I need or want</th>
<th>Need</th>
<th>Want</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Your Future: What Does It Look Like?

Draw Me a Picture

Directions: Your Future: What does it look like? Draw me a picture. Draw a picture; you don’t have to be an artist for this task.
**Where Are You Going?**

Directions: Focusing on the picture you just drew, list those financial goals that will help you get the type of future in your picture. Be specific. For example, a down payment for a used car, payment for a refrigerator, etc. Estimate the cost of each goal, estimate when the goal is needed, and rate the importance of each goal, with #1 being the highest priority and #5 the lowest.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Cost</th>
<th>Date Wanted</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wants</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Talk about Money

Directions: Take a few minutes to involve members of your household or family at home in the following questions about money. First, ask each person separately; then compare the answers as a group. The similarities and differences that turn up can spark a discussion of values, attitudes, and practices.

1. If you were to receive $500 tax-free, what would you do with it?

$ ___________________ for ________________________________________________

$ ___________________ for ________________________________________________

$ ___________________ for ________________________________________________

$ ___________________ for ________________________________________________

$ ___________________ for ________________________________________________

2. Do you agree or disagree with the following statement? Place a ✓ in one of the columns to identify whether you agree or disagree with the statement on the right.

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I’m too tight with money.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Having a say in how money is spent as a family/household decision is important to me.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I feel good about the way financial decisions are made in my family/household.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sometimes I buy things I don’t need just because they’re on sale.</td>
</tr>
<tr>
<td></td>
<td>✓</td>
<td>I believe in enjoying today and letting tomorrow worry about itself.</td>
</tr>
</tbody>
</table>

3. I’d like to see less money spent on ____________________________________________

and see more dollars go for ________________________________________________.

4. What money problem is the most frequent cause of argument? ________________

________________________________________
Minimum Payment Trap

Creditor: Smith and Smith Store

Current Balance: $550

Annual Interest Rate: 19.9%

<table>
<thead>
<tr>
<th></th>
<th>Monthly amount paid</th>
<th>Total number of months to repay</th>
<th>Total amount of interest paid</th>
<th>Total amount of debt paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum payment</td>
<td>$15</td>
<td>4 years 9 months</td>
<td>$304.13</td>
<td>$854.13</td>
</tr>
<tr>
<td>Extra payment of $5</td>
<td>$20</td>
<td>3 years 2 months</td>
<td>$190.43</td>
<td>$740.43</td>
</tr>
</tbody>
</table>

Maggie got an installment loan at the Smith and Smith Store to buy a TV. Her payment is $15 each month.

If she pays an extra $5 each month or $20 total,

1. how much money will she save in interest? $_______________

2. how much money will she save in her total debt? $_______________

3. how much quicker will she have her total debt paid? $_______________

Do you think it is a good idea for Maggie to pay an extra $5 a month?

☐ Yes    ☐ No

Why?   Click here to enter text.
Payday Loans Can Be Costly!

*Need extra cash to get by until your next payday?*

*Get Cash Fast!*

In italic above are just two of the ads used on TV, radio, and even in the mail. They’re ads for a costly way to get money-payday loans.

Let’s say that John’s car needs repairs, and he doesn’t have the $100 he needs to get it fixed. He’s thinking about going to a payday loan store. The lender will loan him $100 in cash, but John will have to write a check for $115 to borrow the money. The payday lender says he’ll hold the check until John’s next payday two weeks later. At that time the lender will deposit the check, or John can redeem it by paying $115 in cash.

If John doesn’t have the money and rolls over the loan for another two weeks, he’ll have to pay an extra $15 fee! In the bar graph below see what happens if John continues to roll-over the loan.
In John’s example, the cost of his first loan is a $15 finance charge at 390% APR. If he doesn’t pay off his first loan and rolls over the loan three times, the finance charge would be $60 just to borrow $100. If you’re thinking about getting a payday loan, the Truth in Lending Act says you must receive, in writing, the finance charge (the fee charged to borrow money) and APR (the cost of credit on a year basis).

1. Edward’s single family home needs some roof repairs. He doesn’t have the estimated $1500 to get it fixed. His credit rating is not the best, so to get a bank loan will be challenging. He goes to a payday loan store. The lender will loan him $1500 in cash, but Ed will have to write a check for $1650 to borrow the money. The payday lender says he’ll hold the check until Edward’s next payday two weeks later. At that time the lender will deposit the check, or Edward can redeem it by paying $1650 in cash. If Edward doesn’t have the money and rolls over the loan for another two weeks, he’ll have to pay an extra $150 fee!
   a. Create a bar graph below similar to the one above for John to see what happens if Edward continues to roll-over the loan at this rate.
   b. Calculate the APR for Edward. Remember that for the example: John had an APR of 390%. 

![Bar graph showing loan roll-overs with costs]
The Classroom Shopping Show – Fed Bucks: inflation or recession

**Too much spending in the economy leads to Inflation…too little spending leads to a Recession.**

Understanding of what happens when there is too much or too little money flowing in the economy takes time and a number of activities. Play The Classroom Shopping Show. The game is similar to an auction. The teacher is the host auctioneer. There are three rounds of shopping. A total of five samples of a highly desired item (such as a candy bar) are auctioned for the entire simulation to represent a limited number of goods in the economy. Students are given money at the beginning of the game and at the start of each successive round to illustrate how prices rise when the money supply increases and there aren’t enough goods to keep up with demand.

Select two students to be responsible for recording the prices accepted during the three rounds of shopping. **Distribute $1.00 - $5.00 dollars of Fed Bucks** in random amounts to remaining students in the classroom. **Each of the three rounds of spending should last approximately 20 seconds.**

Round 1: The auctioneer begins the game by announcing to the class that there are five chocolate candy bars for sale. Begin the bidding, selling candy bars to the highest bidder. Record all of the prices for Round 1 on the blackboard.

**At least one candy bar should be available to sell in the final round.**

Round 2: **Distribute $1.00 - $5.00 dollars in random amounts to each participant.** Announce that the classroom money supply is increasing and each participant is getting a salary bonus. Once again, begin the bidding, recording the prices.

Round 3: **Distribute $1.00 - $5.00 dollars in random amounts to each participant.** Record the prices accepted for the candy bar(s).
Debriefing your students after the auction:

- Ask the class to repeat out loud the prices recorded for each successive round in sequential order.
- To reinforce the idea that prices rose when a fixed number of goods were auctioned, ask the class what happened to the price of candy bars from the first to the third auction? (It increased or decreased.)
- What happened to the number of candy bars from the first to the third auction? (It decreased or increased.)

Tell the class this is what happens in the economy when there aren’t enough goods and services available for spending: Prices increase for many purchases.

Personalize the discussion by asking your students what they think the impact of inflation or a recession would be on their families. Are there some goods they would be less likely to buy? Emphasize that when prices go up and down all the time, rather than staying steady, it makes it hard for families to make good decisions about when to buy the things they need and want.

**Too much spending in the economy leads to Inflation…too little spending leads to a Recession.**

**LEARNING EXTENSIONS**

1. **Price Hunter**
   Track prices for specific brands of three items over a three-month period by cutting ads for these items from the newspaper and creating a wall graph with the ads to illustrate price fluctuations. Discuss the results, including why prices rose or declined, and the impact on each student’s spending habits. Point out that prices might have risen because the cost of the resources to make the product rose or because too much money was flowing in the economy, bidding up prices just like in The Classroom Shopping Show. *(Courtesy of the Federal Reserve Bank of New York)*

2. **Money Flows in Your Community**
   To reinforce your students’ understanding of money flows in the economy, ask the students to interview business people in their community, such as a grocery store owner, banker, or business owner. The interview should focus on: the person’s specific job and skills required for the job; how he or she receives and spends money in the economy; and what is the impact of inflation or recession on his or her work.
Anna Decides How to Get Out of Debt

A few months ago, Anna made a budget to help control her spending. She found that her expenses were more than her income. Anna’s goal for the year is to get out of debt. She must make many decisions to reach this goal.

She must look at her choices, weigh the pros and cons of each, decide which plan to use, and then finally follow through with the plan. She realized that she needs all the information she can get to decide the best plan. She seeks the advice of family members who have some experience and appear to be financially secure and good money managers. She knows that she also may take out some library books on developing a spending plan. She also may seek the advice of a consumer credit-counseling service.

**Control Spending**

To help control her spending, Anna can...

Name two ways Anna can cut down on spending.

1. 
2. 

**Increase income**

Name two ways Anna might try to increase her income.

1. 
2. 

As hard as Anna tries, she cannot increase her income to meet her expenses. Anna must make some other choices. Some of these choices will have good and bad results.

**Stop Making Creditor Payments**

This move would be *good* because…

This move would be *bad* because…
**Consolidation Loan**

Anna can get one big loan to cover all her other loans. This is called a consolidation loan.

This move would be good because…

This move would be bad because…

**Make Payment Arrangement with Creditors**

Anna can talk with people she owes money about changing the payments.

This move would be good because…

This move would be bad because…

**Get Credit Counseling**

Anna can get credit counseling. Credit-counseling groups help a person work out a debt repayment plan or even suggest some other actions to take.

The move would be good because…

This move would be bad because…

Before using a credit-counseling service, Anna should know who is doing the counseling, what the costs are, and how the program works.

**Take Legal Action**

Anna may have to consider filing for bankruptcy.

This move would be good because…
This move would be *bad* because…

How Anna Will Reach Her Goal

Anna must take many decisions to reach her goal of getting out of debt. It will take planning, sacrifice, and time. But if she is determined, she will succeed.

If you were Anna, which choice would you make? Would you choose several of these choices?

- Stop making payments.
- Get one big loan to cover all your other loans.
- Talk with people you owe money about arranging payment.
- Get credit counseling.
- File to be on a wage-earner plan
- File bankruptcy.

What are some of the things that Julie can plan to do to keep from getting into financial trouble again?

Some suggestions:

- Follow a strict spending plan.
- Pay cash for future purchases.
- Increase her potential to earn more money.
- Set realistic financial goals.
Housing: Different Places to Live

Private House
You own the house and land. You are responsible for everything including utilities. You borrowed money from the bank to buy the house.

Mobile Home
You are the tenant and landlord. You own the home but not the land. You live in a park with other mobile homes owners.

Condominium
You own the apartment. A company manages the building. The company is responsible for all repairs “Condo” owners can buy and sell the apartments without permission from anyone.

Apartment
You pay rent to the landlord. You sign a lease, which is an agreement between you and the owner of the apartment building owner. The lease states how much rent you will pay, usually monthly.

Co-op
The tenants own and manage the building. They are responsible for any repairs. Tenant-owners who want to sell their apartments need permission from the other tenants.
True or False: Click on Choose an item for True or False or Write in on the Line

1. A landlord is the owner of the apartment building.
   Choose an item.  
   ________________

2. You can borrow money from a bank to buy a house.
   Choose an item.  
   ________________

3. A family in a mobile home can live next to a private home.
   Choose an item.  
   ________________

4. Both condo owners and tenants sign leases.
   Choose an item.  
   ________________

5. You have to pay your own heat if you own your home.
   Choose an item.  
   ________________

6. Owners of “condos” can sell their units to anyone they want to.
   Choose an item.  
   ________________

7. A lease is an agreement between tenant and landlord.
   Choose an item.  
   ________________

8. If you want to sell your co-op apartment, you need to get the permission of all the tenants.
   Choose an item.  
   ________________

9. When you own a mobile home you also own the land with it.
   Choose an item.  
   ________________

10. Both condominium and co-op owners manage the buildings they live in.
    Choose an item.  
    ________________
Should You Rent or Buy?

The average middle-class six-room house in the United States in 2014 cost approximately $102,000. In 1983 the cost was estimated at $75,000. When you buy a house, condominium, or mobile home, you usually have to make a down payment which can range from 5% to 30%. If you buy a $102,000 home with a 15% down payment you need to have $15,300 for the down payment. The bank loans you the rest of the money ($86,700) for a mortgage. Then you pay back the loan plus interest to the bank for a period of 20-30 years. Your mortgage payment to the bank every month for the loan includes the principal, interest, and taxes. Interest rates on home loans change. In 1983, interest rates were as high as 12% in some banks. Today, interest rates can be as low as 2.99% and as high as 5.99%. One-bedroom condos can sell as low as $48,000. So many young couples and retired people prefer condominium ownership.

<table>
<thead>
<tr>
<th>If You Buy</th>
<th>If You Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>• You must have the down-payment money and be able to meet monthly mortgage payments.</td>
<td>• You retain mobility; if you move often you avoid the problem of selling a home.</td>
</tr>
<tr>
<td>• In most cases you also need to have a good credit history.</td>
<td>• You avoid expensive repairs and leave the upkeep problems to the landlord, which saves you time, money, and allows you to pay attention to other things.</td>
</tr>
<tr>
<td>• Monthly mortgage payments may be less than rent for the same size space and convenience. Interest payments and real estate taxes are tax deductible.</td>
<td>• However, rents almost always increase. You don’t get money back when you move.</td>
</tr>
<tr>
<td>• Homes and condos are almost always good investments.</td>
<td>• You don’t pay interest, but no tax deductions from rent increases.</td>
</tr>
<tr>
<td>• You have independence and especially in a home, you have no noisy upstairs neighbors!</td>
<td>• If you work in the city and rent close to your job, you avoid commuting problems and expenses.</td>
</tr>
<tr>
<td>• You also have a sense of pride and new responsibility in your neighborhood and town.</td>
<td>• Allows you explore and experience new neighborhoods without the commitment.</td>
</tr>
</tbody>
</table>

Write a paragraph (at least five sentences) below explaining your reasons for deciding to either buy or rent.
Home Budgeting - Group Project

On the computer, open the Excel file you created for Exercise 3 (Budgeting). This is Elena’s budget for each month of summer 2014. Use the information in the budget to answer the questions below.

1. What fraction of her income is spent on food?

2. What percentage of her income is spent on food?

3. Elena decided that in the future she needs to put 15% of her income into savings. If she had saved 15% of her income in 2014, what amount would she have saved?

4. Elena’s daycare center is now charging an additional 6% during the summer months. How much will child care cost for June, July, and August combined?

5. Elena wants to make a pie graph to show her different sources of income. How do you think this graph will look? Draw your estimate on the back of this page.

6. Create the pie graph on the computer:
   - Highlight Elena’s three sources of income (paycheck, newspaper delivery pay, lawn mowing pay) and the three income amounts.
   - Click on the Insert Tab and then the Pie Icon, and select one of the pie charts.
   - Try different options in the chart wizard. Can you add these things to your graph?
     1. a title
     2. the percentage amounts next to each part of the graph
“Creditworthiness” - Investigate: What is Credit?

Understanding credit reports and scores are important aspects of a sound financial future. Enabling students to make smart money decisions is very important. Students will explore different scenarios that challenge their assumptions about credit and “creditworthiness,” while debating the impact certain decisions can have on their credit scores. What does it mean to be “creditworthy?”

1. Begin by asking students to think about their last purchase and how they paid for it. Did they use cash, debit, credit or did they write a check?

2. Invite volunteers to share their purchases, and engage the class in a discussion about the differences between paying with cash, debit, credit and checks. How does one get credit and who provides credit?

3. Ask students if they've ever loaned money, clothes or even their car to a friend, and whether or not they expected to get the item back. Explain that loaning out money, clothes and cars are all examples of lending credit.

4. Now ask students to imagine that they are going to loan their brand new car to a stranger. What factors would they consider before letting someone borrow their car? Would they consider age, gender, religion, work history, driving record, race, language, education or income? Write a list of potential factors on the board and ask students to vote on whether each factor would affect their decision. Tally votes on the board.

Use cell phones, tablets or computers with Internet access to go to a free website such as www.polleverywhere.com to capture student answers and instantly display results in chart or graph form.

Screenshot of poll below:
5. Next, explain that lenders use specific factors to determine whether or not a person is “creditworthy” and eligible for a loan.

There are five key factors that are considered when determining “creditworthiness”:

- Payment history (whether or not you pay your bills on time)
- Amount owed to current creditors (e.g., whether you have a car payment or a balance on a store credit card)
- Length of credit history (in general, the longer you’ve had access to credit and paid your bills on time, the better)
- Types of credit used (e.g., car and mortgage payments are often viewed as “better” debt than consumer credit card debt)
- Number of open accounts (lenders can be wary of borrowers with too much credit available)

These factors are compiled on a person’s credit report, with an overall credit score that lets lenders know how risky it is to lend to that borrower. Explain that some of the factors students believed should matter when it comes to getting credit actually don’t (e.g., education, race, gender, age, religion, etc.).
6. Ask students which they would rather earn on a math test: a 95 out of 100 or a 55 out of 100? Explain that just like test scores in school, the higher your credit score, the better. This is because a higher number means you are a lower risk as a borrower.

7. Engage the class in a discussion on “creditworthiness” and discuss the components of a credit score. How is a credit score calculated? What is considered a good score? What actions impact a credit score? Why does having a good score matter? Why would a bank or cell phone company care about your credit?

8. Distribute the student activity sheet, Spot the Credit Crisis, and break students into groups of four. Working as a team, students will discuss the scenarios on the activity sheet and determine how and why each scenario would impact their credit. Students should be prepared to justify their answers to the class.

9. Ask a volunteer from each group to share one scenario with the class and explain the impact that scenario has on credit and “creditworthiness.”

10. Ask students to reflect in their notebooks about how their credit scores might impact their short-, medium-, and long-term goals; such as finding a job, buying a house or selecting a cell phone plan.

Note:
The Essential Question is designed to “hook” the learner, promote inquiry and engagement with the lesson, and allow students to exercise problem-solving abilities. It addresses a larger concept, does not have a right or wrong answer, and requires higher order thinking skills.
Credit Crisis! What Credit Crisis?

You’re holding the keys to a brand new car, longing for a cell phone upgrade and planning a trip to Disney World. But wait … will doing these things affect your credit? Determine how the scenarios below might impact your credit score. (Remember—it can go up or down.) Justify your reasoning and offer a solution to any negative impacts.

Scenario 1:

You want to purchase a new vehicle and you have your heart set on a brand new SUV. You take out a loan to pay for the car, but after six months you begin to fall behind on payments and incur late fees. 

**Does your credit score go up or down?**

Click here to enter text.

**Why does it go up or down?**

Click here to enter text.

**If your score goes down, how can you fix it?**

Click here to enter text.

Scenario 2:

You’ve been eager to buy a new cell phone for months, and now you’re ready to make it happen. You use your credit card to purchase the phone and you set up automatic billing to pay the monthly expenses. At the end of each month, you pay the credit card bill in full.

**Does your credit score go up or down?**

Click here to enter text.

**Why does it go up or down?**

Click here to enter text.

**If your score goes down, how can you fix it?**

Click here to enter text.

Scenario 3:
Your first semester of college, you take out a small loan to help pay for books. Despite being busy, you get a part-time job. Although you don’t have to pay your loan back until you graduate, you’ve saved enough by the end of the semester and you will pay off the loan in full. 

**Does your credit score go up or down?**
Click here to enter text.

Why does it go up or down?
Click here to enter text.

If your score goes down, how can you fix it?
Click here to enter text.

**Scenario 4:**
You just got the keys to your first apartment. You also have a new credit card with a $4,000 limit and you use it to furnish your new place. Before you know it, you’ve bought a TV, a couch and a dining room table. When you get the credit card bill, you realize you’ve spent your full credit limit of $4,000. 

**Does your credit score go up or down?**
Click here to enter text.

Why does it go up or down?
Click here to enter text.

If your score goes down, how can you fix it?
Click here to enter text.

**Scenario 5:**
You’re planning a trip to Disney World with friends over winter break. You get a credit card offer in the mail that lets you earn airline miles for every $1 you spend, plus bonus miles for opening a new account. Even though you opened three other credit cards this year, you jump on the opportunity and sign up immediately because you haven’t bought your flight to Florida yet. 

**Does your credit score go up or down?**
Click here to enter text.

Why does it go up or down?
Click here to enter text.

If your score goes down, how can you fix it?
Click here to enter text.

Answers:

**Scenario 1:**
*Does your credit score go up or down?*
Your credit score goes down.

Why does it go up or down?

Falling behind on payments, or making late payments on your auto loan over time, will have a negative impact on your credit score.

If your score goes down, how can you fix it?

To fix your credit score, make all payments in full on time going forward, and check your credit score and report periodically to ensure that your positive habits are impacting your score. If you cannot afford to make the payments, consider selling or trading in your SUV for a model you can afford.

Scenario 2:

Does your credit score go up or down?

Your credit score goes up.

Why does it go up or down?

Charging your monthly cell phone bill on your credit card and paying off the balance immediately demonstrates to lenders that you utilize credit and handle your credit accounts responsibly.

If your score goes down, how can you fix it?

To fix your credit score, make all payments in full on time going forward, and check your credit score and report periodically to ensure that your positive habits are impacting your score. If you cannot afford to make the payments, consider selling or trading in your SUV for a model you can afford.

Scenario 3:

Does your credit score go up or down?

Your credit score goes up.

Why does it go up or down?

Paying back your student loan ahead of time demonstrates responsible use of credit. It also helps to lower your credit utilization ratio (the percentage of available credit you’re using).

If your score goes down, how can you fix it?

To fix your credit score, make all payments in full on time going forward, and check your credit score and report periodically to ensure that your positive habits are impacting your score. If you cannot afford to make the payments, consider selling or trading in your SUV for a model you can afford.

Scenario 4:

Does your credit score go up or down?

Your credit score goes down.

Why does it go up or down?

Charging up to your credit limit on accounts can impact your credit score negatively, as it increases your credit utilization ratio—that is, it shows you’re using a higher percentage of available credit. The lower the credit utilization ratio, the better the credit rating.

If your score goes down, how can you fix it?

You can fix it by paying off your balance as aggressively as possible, making payments on time and charging less than your credit limit going forward.

Scenario 5:

Does your credit score go up or down?

Your credit score goes down.

Why does it go up or down?

It has a negative impact on your credit score because each time you apply for a card, the inquiry goes on your record. Opening too many accounts over a short period of time demonstrates that you may be using credit unwisely.

If your score goes down, how can you fix it?

To fix your score, refrain from opening additional accounts for the next several months, make payments on time and keep balances low on your existing cards. Do not close the accounts you’ve opened, as this can also negatively impact your score.

The Printed Check and Keeping Your Balance
1. **Your name and address**: Your telephone number and email also can be printed here.
2. **The check number**: Use this number to keep track of each check and its amount.
3. **Routing numbers**: The top numbers tell the state in which the bank is located and the bank’s identification. The bottom numbers name the regional Federal Reserve Bank that will handle the check.
4. **The account number** of your checking account.
5. **Computer routing numbers**: The numbers are written in magnetic ink so a computer can read them.
6. **Bank name and branch** of the bank that handles your checking account.

**Keeping Your Balance Activity**
Use the following information and the forms in the different envelopes to:

1. Deposit an endorsed paycheck.
2. Write checks 322 and 323.
3. Record all transactions in the checkbook register.
   (including ATM receipt)
5. Your opening balance is $53.21.

1. Endorse and deposit check:

   Your Employer
   201 First Street
   Your Town, IL 12345

   Date October 31, 1996 70-338/711

   Pay to the
   order of Sarah Smith-Hamilton $566.57

   Five Hundred Sixty-six and 57/100--------------------Dollars

   INTERCHECKS INC.
   Your City, Your State 12345 SAMPLE - VOID

   For pay period Oct. 1-31, 1996
   123456789123459876-0709

   Kenneth Jones

   ENDORSE HERE

   DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
   RESERVED FOR FINANCIAL INSTITUTION USE
2. Write two checks for:

<table>
<thead>
<tr>
<th>Local Phone Company</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.O. Box 1234</td>
<td>968-6723</td>
</tr>
<tr>
<td>Your Town, IL 60499</td>
<td></td>
</tr>
</tbody>
</table>

Billing Date: OCT 19, 1996
Current Charges Past Due after: NOV 7, 1996

Billing Summary:

<table>
<thead>
<tr>
<th>Previous Bill</th>
<th>Payments</th>
<th>Current Charges</th>
<th>Adjustments</th>
<th>Past Due Amount</th>
<th>Total Amt. Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.47</td>
<td>19.47</td>
<td>22.84</td>
<td></td>
<td></td>
<td>22.84</td>
</tr>
</tbody>
</table>
John Hamilton
Sarah Hamilton
50 State Street
Anytown, USA 12345

Pay to the order of ______________________________________ $ ____________________

_________________________________ Dollars

INTERCHECKS INC.
Your City, Your State 12345 SAMPLE - VOID

For __________________________________________________

::1 23456789:: 1 23456789-0322

REMINDER

TO: Sarah Hamilton
FROM: Country Apartments
RE: November Rent
DATE: October 25, 1996

Rent has increased to $325.00 per month as of November. Please
remember that your rent is due no later than November 2.
3. ATM withdrawal

Your Bank ATM Receipt

Date: 11/10/96
Time: 16:35
ATM# 312
2302 Westside Drive
Banktown, IL 60202

Ref#: 8210
Card #: 4891
Your Bank

Withdrawal $60.00
From Checking: 123456789
Balance: $211.94
4. Record all transactions in the checkbook register. (including ATM receipt)

**Register Table: Record of Deposits, Payments, and Withdrawals**

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Date</th>
<th>Transaction</th>
<th>Payment/Withdrawal</th>
<th>Deposit</th>
<th>$ Balance</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
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**BANK STATEMENT**

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
<th>Check Amount</th>
<th>Deposit Amount</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/01</td>
<td>Opening Balance</td>
<td></td>
<td></td>
<td>53.21</td>
</tr>
<tr>
<td>11/02</td>
<td>Deposit</td>
<td></td>
<td>566.57</td>
<td>619.78</td>
</tr>
<tr>
<td>11/06</td>
<td>Check #322</td>
<td>325.00</td>
<td></td>
<td>294.78</td>
</tr>
<tr>
<td>11/06</td>
<td>Check #323</td>
<td>22.84</td>
<td></td>
<td>271.94</td>
</tr>
<tr>
<td>11/25</td>
<td>ATM withdrawal</td>
<td>60.00</td>
<td></td>
<td>211.94</td>
</tr>
<tr>
<td>11/25</td>
<td>Service Charge</td>
<td>5.00</td>
<td></td>
<td>206.94</td>
</tr>
</tbody>
</table>

**Check #**  | **Amount**  
--- | ---
322 | 325.00  
323 | 22.84  
***denotes missing check***

**SUMMARY**

<table>
<thead>
<tr>
<th>Previous Balance</th>
<th>Total Deposits</th>
<th>Total Checks</th>
<th>Total No. of ATM Checks</th>
<th>No. of Service Trans.</th>
<th>New Balance Deposits</th>
<th>New Balance Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>53.21</td>
<td>566.57</td>
<td>347.84</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Printed on the back of the above statement

**CHECKS OUTSTANDING — NOT CHARGED TO ACCOUNT**

<table>
<thead>
<tr>
<th>CHECK NUMBER</th>
<th>CHECK AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bank Balance Shown $__________ on This Statement

Subtract Checks Outstanding $__________

Total $__________

Add Deposits Outstanding $__________

$__________

$__________

Balance $__________

Should agree with check book balance after deducting service charge or other charges not in your check book (if any).