

Unit 8, Activity 1, Financial Literacy Vocabulary

Word	+	✓	-	Example	Definition
employee					
employer					
job					
career					
minimum wage					
salary					
benefits					
principal					
interest					
identity theft					
deposit					
credit					

Unit 8, Activity 2, Categories of Workers

Category of Worker	Description	Type(s) of skill level	Training or Education	Example
Blue Collar	<i>Worker engaged in manufacturing jobs that produce goods.</i>	<i>Semi-skilled and unskilled</i>	<i>Vocational or trade school</i>	<i>Carpenter</i>
White Collar				
Service Worker				
Unskilled				
Semi-skilled				
Skilled				
Professional				

Unit 8, Activity 4, Budgeting Exercise

Directions: Read the following paragraph categorizing and recording the expenses and income mentioned. Find the sum total of income and expenses and compute the total savings or loss.

Jim works 20 hours a week at the local hardware store as a stock boy making \$160 per week. Jim's car note is \$200 per month and he pays \$65 for car insurance per month. Jim spent \$45.00 on gas this month and bought 2 concert tickets last week for himself and his girlfriend at \$50.00 each. Jim's mother paid him \$25.00 this month for cutting the lawn. Jim paid two parking tickets in the amount of \$35.00 each. Jim also spends \$20.00 a week to have his car detailed.

Income:		
<i>Hardware paycheck</i>	<i>\$640</i>	
	Total Income	
Expenses:		
Fixed		
Variable		
<i>Gas</i>	<i>\$45</i>	
Nonessential		
	Total Expenses	
	Savings/Loss	

Unit 8, Activity 4, Budgeting Scenario 1

Scenario 1

Sarah's parents want to buy a new house for their growing family in the next two years. They need to save \$10,000 for a down payment. Sarah's father works as a computer technician at a cable company, and Sarah's mother is a manager at a local deli. Sarah's parents have two children, Sarah who is ten years old and Jason who is five years old. They would like to save \$20,000 per child to pay for their children's college education. The family enjoys going to the movies each week and buys toys regularly for the two children. They try to limit their spending to no more than \$200.00 per month. Below is the family's budget for the last month.

Income:		
Father's paycheck	\$2,500	
Mother's paycheck	\$2,200	
	Total Income:	
Expenses:		
Fixed		
Rent	\$700	
Car Note	\$250	
Car Insurance	\$75	
Health Insurance	\$300	
Variable		
Electricity	\$120	
Water	\$60	
Grocery	\$400	
Gas	\$300	
Phone	\$100	
Doctor Visit	\$80	
Clothing	\$200	
Dentist	\$150	
Nonessential		
Toys	\$100	
Pedicure	\$60	
Golf Club Membership	\$100	
Entertainment	\$100	
Dance Lessons	\$100	
Miscellaneous	\$200	
	Total Expenses:	
Planned Savings		
College funds	\$500	
Down payment on House	\$425	
	Saving/Loss:	

Unit 8, Activity 4, Scenario 2

Scenario 2

Eric's family lives in a beautiful 4,000 square foot home in a very affluent neighborhood. Eric's father works as a senior partner at a well-respected law firm and Eric's mother is a stay-at-home mom. They have one child, Eric who is 15 years old whom they want to put through college at a prestigious university that cost \$6000 per semester. Eric's father enjoys collecting luxury automobiles and Eric's mom likes to wear the latest fashions. Eric's parents buy him nearly anything he wants. Below is the family's budget for the last month.

Income:		
Father's paycheck	\$8,000	
Mother's paycheck		
	Total Income:	
Expenses:		
Fixed		
House Note	\$2,500	
Car Notes	\$1,000	
Car Insurance	\$500	
Health Insurance	\$500	
Variable		
Electricity	\$250	
Water	\$120	
Grocery	\$500	
Gas	\$600	
Phone	\$250	
Credit Card Payment	\$250	
Clothing	\$600	
Dentist	\$100	
Nonessential		
Flat Screen TV	\$800	
SPA	\$200	
Golf Club Membership	\$250	
Entertainment	\$500	
Tennis Lessons	\$150	
Personal Trainer	\$250	
Miscellaneous	\$250	
	Total Expenses:	
Planned Savings		
College funds	\$750	
	Saving/Loss:	

Unit 8, Activity 4, Scenario 3

Scenario 3

Jason's family lives in a small urban apartment. Jason's mother is a single mom who has raised Jason on her own since he was two years old. She works two jobs as a waitress at a local diner and a cashier at the all night gas station on the corner. Jason is a 16-year-old junior at the local public high school. He works 32 hours a week after school and on the weekends at the local grocery store as a stock boy. Jason has been saving for a car for over a year now and still cuts grass in the summer to help pay for it. Below is the family's budget for the month of July.

Income:		
Mother's diner paycheck plus tips	\$1200	
Mother's cashier paycheck	\$880	
Jason's paycheck	\$720	
Jason's lawn mowing	\$100	
	Total Income:	
Expenses:		
Fixed		
Rent	\$500	
Car Note	\$150	
Car Insurance	\$50	
Health Insurance	\$150	
Variable		
Electricity	\$100	
Water	\$50	
Grocery	\$250	
Gas	\$100	
Phone	\$50	
Credit Card Payment	\$25	
Clothing	\$100	
Doctor visit	\$100	
Dinner Out	\$75	
Automotive Repairs	\$600	
Nonessential		
Entertainment	\$50	
Nails	\$35	
MP3 Player	\$100	
Miscellaneous	\$150	
	Total Expenses:	
Planned Savings		
Car Fund	\$100	
	Saving/Loss:	

Unit 8, Activity 4, Scenario 4

Scenario 4

Cathy's family lives in a cozy, suburban three bedroom home just outside of town. Cathy's father is an electrical engineer who works offshore two weeks on and two weeks off. Cathy's mother is a school teacher at the local elementary school. Cathy, at age 14, is the oldest of three children. She makes spending money tutoring and babysitting the neighbors' children twice a week. Cathy's parents want to send her and her two siblings to the local community college and then to a four-year university at a cost of \$10,000 per child. Cathy's father loves woodworking spending a lot of down time and money on projects. Cathy's mother is an avid reader. Both parents hope to be able to retire in 15 years. Below is the family's budget for the last month.

Income:		
Father's paycheck	\$5000	
Mother's paycheck	\$2200	
Cathy's baby sitting and tutoring	\$200	
	Total Income:	
Expenses		
Fixed		
House note	\$1100	
Car Notes	\$800	
Car Insurance	\$120	
Health Insurance	\$250	
Variable		
Electricity	\$160	
Water	\$120	
Grocery	\$600	
Gas	\$600	
Phone	\$180	
Clothing	\$250	
Doctor visit	\$100	
Dinner Out	\$200	
Hot Water Heater	\$400	
Wood Working supplies	\$250	
Nonessential		
Entertainment	\$200	
Books	\$100	
Handheld Video games	\$300	
Miscellaneous	\$300	
	Total Expenses:	
Planned Savings		
College Funds	\$225	
Retirement	\$500	
	Saving/Loss:	

Unit 8, Activity 4, Family Budget Process Guide

Directions: Read the scenario carefully and respond the following prompts.

1. Read the scenario and write a statement that best describes the financial goals and plans of the family.

2. After reading the scenario determine if the family is on track to accomplish its financial goals? Explain why or why not.

3. If you were acting as the family's financial advisor, what suggestion would you give the family to improve their financial situation?

4. After analyzing the scenario, write a statement that describes the lesson that can be learned about managing one's financial matters.

Unit 8, Activity 5, Financial Institutions

Date:	Financial Institutions
Commercial Banks	
Savings and Loans	
Credit Unions	

Unit 8, Activity 5, Financial Institutions

Mutual Funds	
Brokerage Firms	

Unit 8, Activity 6, Household Finances

Anticipation Guide

Instructions: Using your prior knowledge of household finances in the United States, distinguish the following statements as either being true or false by circling a T for true and an F for false. Be prepared to discuss and defend your answer.

1. Paying the minimum balance on a credit statement is a good way to pay off your credit card debt. T or F
2. Using the ‘check your balance’ function at the ATM is a good way to keep track of your bank account. T or F
3. The bank statement is always correct. T or F
4. Widespread use of the debit card has made the check registry obsolete. T or F
5. Failing to make payments or defaulting on a credit card damages your credit. T or F

As you discuss households in the United States, review your responses and explain below changes you made and what caused your position to change.

1. _____

2. _____

3. _____

4. _____

5. _____

Unit 8, Activity 6, Balancing the Checkbook

Directions:

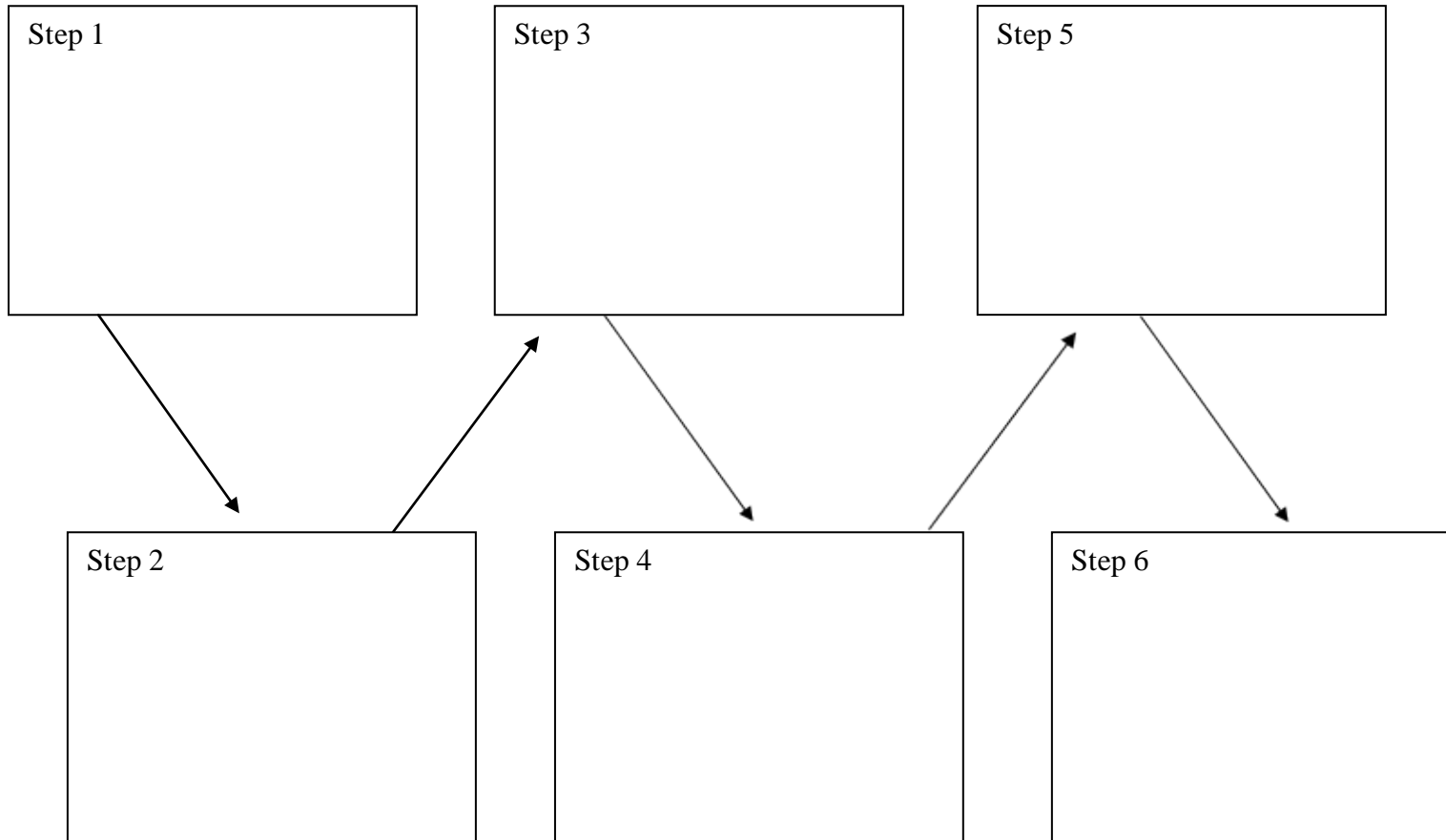
On the blank register below record the following transactions. Record your new balance after each entry.

- Your Balance on October 29 is \$237.47.
- You forgot to ask your mom to write a check for a field trip. The check is due today, October 29, so you write a check of your own (#115) for \$18.00 to Any Town High School.
- You get a paycheck for October 15-30 for \$62.75 on October 30.
- Your birthday is November 4 and you get a check from your grandmother for \$25.00. You deposit it that day.
- On November 5, you go to a sporting event and run out of money. You use the ATM in the lobby to get \$15 for snacks.
- Your credit card bill is due on November 10, so on November 1st you write a check (#116) to Credit USA for \$51.16.
- Your sister, Ann, owes you money. She pays you \$20 on November 10th.
- You need to buy flowers for the dance. You go to the ATM on November 12th and withdraw \$25.
- You deposit your paycheck (for November 1-15) for \$65.65 on November 16.
- Your Aunt Jane, who is always late, sends you a birthday check that you receive on the 12th of November, but you're busy and you don't deposit it until the 17th. The check is for \$35.

Unit 8, Activity 6, Balancing the Checkbook

[illegible]

Unit 8, Activity 8, Credit Predictions BLM



Unit 8, Activity 8, Credit Predictions BLM

<u>Six C's of Credit</u>		
<u>Prediction of what I will learn</u>	<u>Changes to my prediction</u>	<u>What I learned</u>
<i>Character means being good.</i>	<i>Character means being responsible with money and paying bills on time (Paragraph 1)</i>	<i>A lender feels comfortable loaning money to a person of good character.</i>