

Budgeting Budgeting

This section focuses on teaching financial literacy to job seekers and students.

The following resources, activities and worksheets will help individuals to create budgets and think about how finances affect their personal, career and education plans.



LEARNING THE LANGUAGE OF MONEY



Financial Literacy: Learning the Language of Money is a cross-cultural guidebook to improve cross-cultural communication between employment program facilitators and customers of Somali, Hmong and Latino heritage. The guidebook looks at financial literacy in the customer's country of origin and examines how these systems shaped the customer's values and perspectives of the American financial systems.

The guidebook addresses two major concerns:

- Minnesota is rapidly becoming a culturally diverse state. According to the Census, 80 of Minnesota's 87 counties have at least 100 individuals in one or more of the four major racial/ethnic minority groups: Black, American Indian, Asian and Latino.
- Frontline employment counselors working with participants of the Workforce Investment Act (WIA) and Temporary Assistance to Needy Families (TANF) programs are serving steadily increasing numbers of "new Americans." This comes at a time when program providers are confronting shrinking budgets and increasing caseloads.

As a result, facilitators often find themselves without the necessary tools, training and experience to help their culturally diverse clientele discover the resources they need to overcome employment barriers and move toward economic stability.



Financial literacy and money issues are an integral part of every culture. As such, it represents more than just a medium of exchange; it represents value systems.

In other words, each culture has its own *language of money*.

To download the 65-page guidebook *Learning the Language of Money: A Cultural Guide for Working with Hmong, Latinos and Somalis*, go to:

www.PositivelyMinnesota.com

or contact your local WorkForce Center for more Money Smart financial literacy resources.

BUILDING GOOD CREDIT

Do you know *what* a credit score is or why it's important?
Do you know what *your* credit score is?

A credit report is a snapshot of a consumer's financial condition and history. It includes information on where a person lives, how they pay their bills, and whether they have been sued or have filed for bankruptcy. This information is used by creditors, insurers, employers, and other businesses to evaluate applications for credit, insurance, employment or renting a home.



Knowing what steps to take to clean up bad credit or keeping your credit records looking good can have a big financial impact on your life. Having good credit increases your chances of getting good rates on car and housing loans or credit cards. Bad credit can make it more difficult to make major purchases. Having really bad credit can even interfere with your getting hired for certain jobs.

Help to understand and take action to safeguard one's credit and other personal finance information can be found on the Minnesota Attorney General's Web site. On the site, there's contact information for the three credit bureaus, tips for choosing the right type of credit and consumers' credit rights information.

Personal Finance Resources

- Know the FACT Act on Consumer Reporting
- The Credit Handbook
- Credit Reporting
- Protecting "Exempt" Income From Garnishment
- Answering a Lawsuit
- Debt Collection Fact Sheet
- Credit Cards and College Debt
- Reducing Junk Mail and Telemarketing Calls
- Federal Trade Commission
- Guarding Your Privacy

www.ag.state.mn.us/Consumer/ConsumerAdvice.asp

Feed Your Piggy Bank

FeedThePig.org is a Web site that helps people of any age and income level to start healthy spending and financial literacy habits. The site has fun tools, a quiz, tons of tips and other resources to support personal finance goals. Feed The Pig helps teens and adults to think through spending and saving habits, identify ways to start saving, and commit to making changes that will reduce debt and grow personal savings.

Activities include:

- Pick your personality in "Me Save?" Then choose which spending habits you want to change and set short or long-term financial goals.
- Sync your Feed the Pig profile with Facebook or your iGoogle Homepage to track what you can save over time.
- Take the 5% Challenge to find out how much you can save no matter what course your life takes.
- Quiz yourself on the psychology behind our saving and spending habits.
- Get savings tips, which you can rate and comment on.
- Join a discussion to learn a ton more about saving for people at all stages of life.



FeedThePig.org is sponsored by American Institute of Certified Public Accountants and The Advertising Council. The goal of the campaign is to encourage and help Americans, especially those aged 25 to 34, to take control of their personal finances. It includes a link to a site specifically for tweens (<http://tweens.feedthepig.org/tweens>).

www.FeedThePig.org

or

www.360FinancialLiteracy.org

REALITY CHECK

You've thought about how much money you want. But do you know how much money you NEED?

Cities in different parts of the state have varying prices for rent, gas, groceries and other expenses. Knowing what it costs to "live" in your area helps you set realistic goals for your budget and salary needs.

What salary do you need to pay for the lifestyle you want?

The online Reality Check tool shows how your lifestyle choices affect how big of a paycheck you need. First you pick various options for housing, clothing, entertainment and other spending categories. For example, your monthly expenses will increase if you choose to buy a new car instead of buying a used car or using public transportation.

After you create your list of expenses, you select the level of education you plan to obtain. Then, the Reality Check tool shows you the occupations where you'll have the best chance of earning the salary you need to support those lifestyle choices.



The Reality Check tool can be found on ISEEK: www.iseek.org/careers/realitytool.html

or by logging onto MCIS: <http://mncis.intocareers.org>

LESSON PLANS

Lesson Plans focus on career development competencies in areas of self-knowledge and career planning, occupational and education exploration, and job search. Each Lesson Plan contains five sections that correspond with the National Career Development Guidelines, as well as links to career-based articles. Lesson plans are specifically designed to assist career professionals with students and clients in the career exploration process.

The five sections are broken down into:

1. **Focus & Review** ~ states the focus of the lesson plan and highlights the review process.
2. **Statement of Objectives** ~ states the objectives the participant is to learn.
3. **Teacher Input** ~ outlines ways to instruct participants in completing the activity.
4. **Guided Practice** ~ highlights discussion points for groups.
5. **Closure** ~ states suggestions for completion of activity.



In some instances, **Technology Connections** are provided. These connections are just one more way for facilitators to link online and other technology to the lesson plan. Just look for the technology icon.

Activities & Worksheets

Worksheets are pre-made career development activities for students and clients to further explore careers and interests. Activity answers will vary depending on participants' self assessments and answers to questions about individual interests.

By completing activities, participants are actively engaged in seeking out career resources. This assists in better acquainting individuals with the tools and resources available to them.



This logo represents ISEEK or *MnCareers*-produced activities. Feel free to **adapt these exercises** according to your needs.

LESSON PLAN: LIFESTYLES OF THE WORKING WORLD

ARTICLES: Career Decision (*MnCareers* pgs. 2-3)
Interest Assessment (*MnCareers* pgs. 4-7)
Create a Personal Budget (Worksheet #36)
Reality Check Tool (ISEEK or MCIS)
JobsNow Coalition website (www.jobsnowcoalition.org)

1. FOCUS AND REVIEW

- Review the Career Planning Process and Self Assessment sections in *MnCareers* (pages 2-7).
- Review Building Your Money Smarts, Want It All vs. Need It all, and Budgeting Basics (*Facilitator Guide* pgs. 176-172).
- Review the Cost of Living in Minnesota page in *MnCareers* (pg. 12).

2. STATEMENT OF OBJECTIVES

- Participants will consider lifestyle choices.
- Participants will compare lifestyle options as determined by career choices.

3. TEACHER INPUT

- Define lifestyle.
- Review the students' budget, Worksheet #36.
- Follow-up with Tips: Financial Priorities Worksheet #30, Budgeting Basics Worksheet #35A&B, and Spending Habits Worksheet #38.

4. GUIDED PRACTICE

- Participants should brainstorm lifestyle factors in small groups. Have participants create a list for the whole class to view using a chalkboard, posters or the computer.
- Discuss the lifestyles of various people that students know or have heard about. Let the students introduce those they would like to discuss (i.e., Kevin Garnett, Miley Cyrus, Donald Trump, Oprah, etc.). Encourage participants to consider the lifestyles of people in their community, including their relatives.
- Participants could prepare posters showing their lifestyle preferences.
- Have students select a career from *MnCareers* and discuss the lifestyle provided through that career. This might include the completion of a lifestyle budget or using Reality Check.

5. CLOSURE

- Contrast the different lifestyles selected by the participants to those discussed earlier. Have participants discuss the various ways to achieve their desired lifestyles.

Adapted from:

Career Choices in North Carolina, 2005-2006 Career Development and User's Guide, Youth edition

[State Occupational Information Coordinating Committee]

LESSON PLAN: THE COST OF WORKING

ARTICLES: Building Your Money Smarts (Worksheet #32, page 166)
Budgeting Basics (Worksheet #35A&B, page 172)
Create A Personal Budget (Worksheet #36, page 173)
Reality Check Tool (ISEEK or MCIS)

1. FOCUS AND REVIEW

- Initiate a discussion about the cost of working. Ask students about the living expenses that they currently have. What kind of car do they or would they like to drive? Where do they like to vacation? In what type of neighborhood or house would they like to live? Reflect current costs of each of these choices.

2. STATEMENT OF OBJECTIVES

- Students will identify a career and corresponding salary.
- Students will complete a budget.
- Students will compare dollars spent according to income.

3. TEACHER INPUT

- Review Career Profiles in *MnCareers* with students and have them select a career to explore.
- Review the personal budget exercise (Worksheet #36).

4. GUIDED PRACTICE

- Guide students through the selection of an appropriate career.
- Have students calculate a monthly income from the career they have selected.
- Have students complete Worksheet #36, Create A Personal Budget.
- Using a newspaper or the Internet, have students "shop" for items that fit into their budgets.

5. CLOSURE

- Review the student findings, helping them to recognize that lifestyles are impacted by our career choices.



Technology
Connection:

- Use Reality Check to create their lifestyle budgets.
- Using spreadsheets, have students compare their salaries and budgets.
- Using the Internet, shop for items which fit within their budgets.

WORKSHEET #30: FINANCIAL PRIORITIES

There are a lot of different ways to spend a dollar. These questions will help you recognize your financial priorities and values. Complete each of the activities (have family members or close friends complete the activities as well and then discuss the similarities and differences).

1. I just won \$5,000 in the lottery. This is what I'd like to do with the money:

\$ _____ for _____	\$ _____ for _____
\$ _____ for _____	\$ _____ for _____
\$ _____ for _____	\$ _____ for _____

2. I have just been laid off from my job. I must make a major cut in spending. The first thing(s) to go is:

3. Right now, I would like to see me/us spend more money on _____ and less money on _____.

4. Each month, this much is currently spent on:

Rent/Mortgage _____	Groceries _____	Entertainment _____
Car payments/Insurance _____	Utilities _____	Clothing _____

5. This money problem is the most frequent cause of stress in my life:

6. The most foolish thing I've spent money on:

7. The most sensible thing I've spent money on:

8. I feel that buying things on credit is:

Adapted from:
Century College GPS LifePlan
[\[www.gpslifeplan.org\]](http://www.gpslifeplan.org)

WORKSHEET #31: THE VALUE OF YOUR DOLLAR

Read over the list below. Put a one (1) beside the things that are **most** important to you in life. Put a two (2) by the things you consider **somewhat** important and a three (3) by things that are **not** important to you.

Ask your family members to do the same and compare your lists.

- | | |
|--------------------------|-----------------------------|
| ___ Religion | ___ Food |
| ___ Education | ___ Insurance |
| ___ Vacation | ___ Friends |
| ___ Saving Money | ___ New Car |
| ___ Operate own Business | ___ Pay off Debt |
| ___ Jewelry | ___ Clothes |
| ___ Family | ___ Home |
| ___ Health | ___ Entertainment |
| ___ Cultural Events | ___ Boat |
| ___ Sports | ___ Other (Describe: _____) |
| ___ Job Success | ___ Other (Describe: _____) |

Now put your money where your mouth is. Use this list of life priorities when creating budget guidelines that decide how your money will be spent. If you are not financially able to support these things in your life right now, add these financial goals to your future goals.



Adapted from:
Century College GPS LifePlan
[\[www.gpslifeplan.org\]](http://www.gpslifeplan.org)

WORKSHEET #32: BUILDING YOUR MONEY SMARTS

You might not be ready for a full-time job or not thinking about college right now, but it's never too early to get money smart! Most people spend money as soon as they earn it (through working) or receive it (as a gift). It's HOW you decide to spend your money that makes you money smart.

Directions: Using the seven steps to decision-making, solve the problem below (see page 10 of *Facilitator's Guide*).



1. Identify the decision you want to make.
2. Gather information.
3. Identify your options.
4. Weigh your options.
5. Choose an option.
6. Act on your choice.
7. Evaluate your decision.

You just registered for a cool science class in college and need to buy a textbook AND school supplies. You have exactly \$35. A brand new textbook costs \$29.95. A used textbook costs \$20. What should you do?

1) Identify the decision you want to make:

Should you buy the new textbook but no supplies or should you buy a used textbook and supplies?

2) Gather information:

You have enough money to buy the new textbook and some supplies OR a used textbook and all your supplies, but not both.

3) Identify your options:

- a) Buy new textbook and no supplies.
- b) Buy used textbook and some supplies.

4) Weigh your options.

Why I should buy the new textbook	Why I shouldn't buy the new textbook	Why I should buy the used textbook	Why I shouldn't buy the used textbook	What are my other options?	Any other factors affecting this decision?

WORKSHEET #32 CONTINUED

5) Choose an option.

My decision is to _____

because _____.

6) Act on your choice.

7) Evaluate your decision.

What were the results of your decision?

Would you make the same decision next time? Why or why not?



Adapted from
Financing Your Future
[Minnesota Office of Higher Education]

WORKSHEET #33: WANT IT ALL VS. NEED IT ALL

When it comes to money, people usually spend money on what they **need** or **want**. What's the difference between a need and a want?

❖ I think a **need** is _____.

❖ I think a **want** is _____.

Does everyone have the same needs and wants? Why or why not?

Area of your life	Needs	Wants
Personal	1. Clothes 2. Food	1. Designer jeans 2. Pizza
School	1. Notebook 2. Pencils	1. Notebook with cool cover 2. Glow-in-the-dark pencil

Directions: List three needs and three wants in your personal and school life.

Area of your life	Needs	Wants
Personal	1. 2. 3.	1. 2. 3.
School	1. 2. 3.	1. 2. 3.

We all have both needs and wants. What can you do **now** to meet your future needs and wants?

Is going to college a need or a want? Explain your statement. _____

Adapted from
Financing Your Future

[Minnesota Office of Higher Education]

WORKSHEET #34A: SHOW ME THE MONEY!



Let's face it: Everyone needs money to survive. We need money to pay for shelter, food, clothing, and other necessities. There are several ways to get money. You can:

- Earn money by working
- Receive money through the exchange of goods or services
- Receive money from someone as a gift

Anyone at any age can earn money.

Put a check (✓) in the box next to *what you like to do* or *what you don't like to do*. You can add other ways to earn money on the blank lines.

	What I like to do	What I <u>don't</u> like to do
Baby-sit	<input type="checkbox"/>	<input type="checkbox"/>
Clean	<input type="checkbox"/>	<input type="checkbox"/>
Collect loose change	<input type="checkbox"/>	<input type="checkbox"/>
Create a Web page	<input type="checkbox"/>	<input type="checkbox"/>
Fix bicycles	<input type="checkbox"/>	<input type="checkbox"/>
Have a garage sale	<input type="checkbox"/>	<input type="checkbox"/>
Invent something	<input type="checkbox"/>	<input type="checkbox"/>
Make/sell cookies or food	<input type="checkbox"/>	<input type="checkbox"/>
Make/sell crafts	<input type="checkbox"/>	<input type="checkbox"/>
Mow lawns	<input type="checkbox"/>	<input type="checkbox"/>
Paint houses	<input type="checkbox"/>	<input type="checkbox"/>
Rake leaves	<input type="checkbox"/>	<input type="checkbox"/>
Run a lemonade stand	<input type="checkbox"/>	<input type="checkbox"/>
Sell old books and toys	<input type="checkbox"/>	<input type="checkbox"/>
Shovel snow	<input type="checkbox"/>	<input type="checkbox"/>
Tutor	<input type="checkbox"/>	<input type="checkbox"/>
Walk dogs/pet-sit	<input type="checkbox"/>	<input type="checkbox"/>
Wash cars	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

WORKSHEET #34B

When you have a **goal** you want to reach, it's a good idea to **plan ahead** and **figure out the steps** to reach that goal. Setting goals increased your likelihood of getting what you want out of life.

Directions: In the following activity, figure out how much work you need to do in order to save for each goal if you received these amounts:

I make:	If I:
\$1.50	Walk the dog
\$1.50	Sell an old toy
\$3.00	Mow a lawn
\$4.50	Wash a car
\$6.00	Shovel snow

1. Your favorite video game costs \$18 and you want to make the money by washing cars. How many cars will you need to wash to make enough money to buy the video game?

2. If you sell five toys and shovel snow once, will you have enough money to buy the video game?

3. If you mow three lawns, what else could you do to earn the \$18 you need to buy the video game?

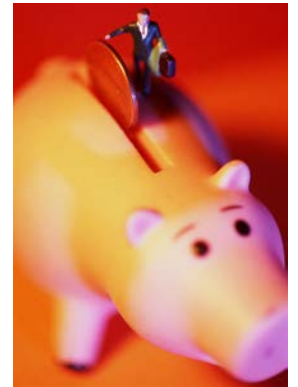
Adapted from
Financing Your Future

[Minnesota Office of Higher Education]

WORKSHEET #35A: BUDGETING BASICS

A **budget** helps you keep track of your money.

A budget tracks how much money you have coming in (income, allowance, gifts), and how much you have going out (expenses for needs and wants). How much money you can save will depend on how much you are able to put away and still pay for other expenses.



What are some items you budget for each week or month? _____

Did you overspend or under-spend on any of your budgeted items? _____

What happens if you don't keep track of how you spend your money? _____

Put a true (T) or false (F) next to each statement.

Using a budget will help me:

- _____ Figure out how much money I have available to spend.
- _____ Find out if I like school.
- _____ Decide what I want to do with my money.
- _____ Save money for college.
- _____ Learn if I get good grades.
- _____ Help me stay out of financial problems.

Building a budget plan is as easy as 1-2-3:

1. Choose a time frame for your budget.
2. Estimate what your income and expenses will be for the chosen time frame. What are your priorities?
3. Make sure your expenses aren't more than your income. Remember to include savings in your plan.

WORKSHEET #35B

You have \$20 in savings for college, and you just received \$50 from your aunt for your birthday. Make a budget to decide how you will spend or save your money. An example has been set-up for you below.

Time period: _____

Item	Amount budgeted	Actual amount spent	Amount spent above or below the amount budgeted
Savings for college	\$10	\$10	\$0
Baseball cap	\$8	\$12	Above budget by \$4
Candy	\$2	$\$3 + \$4 + \$2 = \9	Above budget by \$7
Eating out	\$5	$\$2 + \$4 = \$6$	Above budget by \$1
Mom's birthday present	\$10	\$18	Above budget by \$8
CDs or music downloads	\$15	\$0	Below budget by \$15
TOTAL	\$50	\$ _____	_____ by _____

Which items did you prioritize money for? Did you overspend or save? _____

What happens when you overspend on some items? _____

Do you think it is OK to overspend? Why or why not? _____

If you continue to tap into your college savings fund, what will the consequences be?

Adapted from
Financing Your Future
[Minnesota Office of Higher Education]

WORKSHEET #36: CREATE A PERSONAL BUDGET

Create a monthly budget to make career goals that fit your current and future financial needs. If you are not currently employed, create a future budget based on a desired occupation.

Make copies of this page to make a few budgets. Create one that you can use now, and other budgets based on your projected expenses and income a few years from now. See how your budget changes when you add or cut monthly expenses or use wages from different jobs.

Occupation _____ **Occupation Median Wage \$** _____
(Occupation titles and wages are listed on pages 24-96 of *2013 MnCareers*.)

Gross Pay vs. Net Pay

Gross monthly income is your hourly wages times the number of hours you work in an average month or your annual salary divided by 12.	\$ _____
Payroll deductions include Federal and State taxes, Social Security plans and insurance costs (typically 30 percent of your gross monthly income).	\$ _____
Net monthly income is your total take-home pay, minus payroll deductions. <i>This is the number to use for your monthly budget.</i>	\$ _____

When estimating your monthly expenses, determine how much you spend in each category based on an honest look at your spending habits. Base this budget on your **net income**, not your gross income.

Monthly Expenses

Housing includes monthly rent or mortgage payments (preferably no more than 30 percent of your income).	
Food expenses vary for single people and families. Be sure to include eating out.	
Utilities are services in your home like electricity, heating costs, telephone service, Internet service, cable TV, etc.	
Transportation costs include public transportation fares or car payments, gas and insurance. Also include car repairs and other costs needed to maintain a vehicle.	
Savings , whether in a bank account or investments, are important for unexpected emergencies, large purchases and retirement.	
Clothing includes work and casual clothes, shoes, coats and accessories. If you don't buy clothes every month, estimate your yearly expenses and divide by 12.	
Entertainment includes money spent on going to the movies, DVD rentals, concerts, going to clubs, buying books, video games, etc. Multiply your weekly expenses by four to get a monthly average.	
School payments include tuition, student loans, books and supplies.	
Debt includes credit card bills and other monthly payments.	
Miscellaneous expenses cover all the other things you might spend money on regularly, like cell phone, cosmetics, household cleaning supplies, pet products, prescriptions, other medical costs, etc.	
Total Monthly Expenses =	
Net Income – Monthly Expenses =	

WORKSHEET #37: KEEPING TRACK OF YOUR MONEY

In order to have control of your money, you need to know where it's going!

Directions: For the next two weeks, keep track of everything you spend. For this activity, you will create your own budget. Include a start and end date for this activity on the **Budget Period** line. On the **Amount Available** line, write how much money you have to spend during this period.

Under **Items**, list the items on which you usually spend your money. You might add additional items later. Under **Amount Budgeted**, write down the maximum amount you plan to spend for each item. Then record how much you actually spent every day under **Actual Amount Spent**. Now, subtract your **Actual Amount Spent** from your **Amount Budgeted**, and write the amount under **Spent above or below budgeted amount**.

Budget Period: _____ **Amount Available:** \$ _____

Item	Amount Budgeted	Actual Amount Spent	Spent above or below budgeted amount

What was it like to follow to a budget? Was your budget realistic? _____

What patterns do you see in your spending habits? Where did you overspend or under spend? _____

Were you able to save any money? Why or why not? _____

What would you change in your budget? _____

Adapted from
Financing Your Future
[Minnesota Office of Higher Education]

WORKSHEET #38: SPENDING HABITS

Did you know that your spending habits can make or break your budget? Some people spend more money in certain areas than others.

Directions: Circle ONE item from each row that you would most likely buy if you had an extra \$50 to spend. In the first row, circle the item you would buy first, circle the thing you would buy second in the next row. You can circle the same item in more than one row if you would buy that item repeatedly, or would spend most of the \$50 on that same item.

Clothes	Video Games	CDs/Music	Savings	Books	Hobbies	Movies/DVDs	Food
Video Games	Food	Hobbies	Movies/DVDs	Savings	Books	CDs/Music	Clothes
CDs/Music	Savings	Books	Hobbies	Movies/DVDs	Food	Clothes	Video Games
Savings	Books	Hobbies	Movies/DVDs	Food	Clothes	Video Games	CDs/Music
Books	Hobbies	Movies/DVDs	Food	Clothes	Video Games	CDs/Music	Savings
Hobbies	Movies/DVDs	Food	Clothes	Video Games	CDs/Music	Savings	Books
Movies/DVDs	Food	Clothes	Video Games	CDs/Music	Savings	Books	Hobbies
Food	Clothes	Video Games	CDs/Music	Savings	Books	Hobbies	Movies/DVDs

Now, count the number of times you circled each item and write the total next to the item below:

_____	Hobbies	_____	Savings
_____	Video games	_____	Food
_____	CDs/music	_____	Clothes
_____	Movies/DVDs	_____	Books

The items with the highest scores are those areas in which you are most likely to spend your money impulsively. When you make an unexpected purchase, it is called **impulse buying**. This means you did not budget for or intend to buy an item but saw and bought it immediately simply because you wanted it.

Which factors often influence your decision to buy an item? _____

Think about your spending over the past few months. Is there anything you bought that you haven't used yet?

Remember, sticking to a budget and deciding how you are going to spend your money ahead of time will help you to determine if you really need something. When you see something you really want, don't buy it right away. Wait, go home and think about whether or not you really need the item you're tempted to buy. Will you have to give up something else if you buy the item?

Adapted from
Financing Your Future
 [Minnesota Office of Higher Education]

WORKSHEET #39: SAVING BASICS



Saving is the best way to make the most of your money. To save money is to put money aside for future use. You can save money at home, or you can put your savings in a bank savings account. If you put your money into a savings account, the money earns interest.

Interest is the money that accumulates on money that's in the bank. The longer your money sits in the bank, the more interest you'll receive. The higher the interest rate, the more interest you earn.

Whether you want a new bicycle, concert tickets, or money for college, saving is a good habit to learn.

Directions: Using the chart below, calculate how much you can save each month and accumulate in 10 years.

Savings each month		Number of months	=	Annual savings		Number of years	=	Total savings
\$10	x	12	=	\$120	x	10	=	\$1200
\$20	x	12	=		x	10	=	
\$50	x	12	=		x	10	=	
\$100	x	12	=		x	10	=	

1. If you saved \$20 every month, how much money would you have for college after one year? \$ _____

After 5 years? \$ _____ After 10 years? \$ _____

2. If you saved \$100 every month, how much money would you have for college after one year? \$ _____

After 5 years? \$ _____ After 10 years? \$ _____

Adapted from
Financing Your Future
 [Minnesota Office of Higher Education]

WORKSHEET #40A: SIMPLE VS. COMPOUND INTEREST

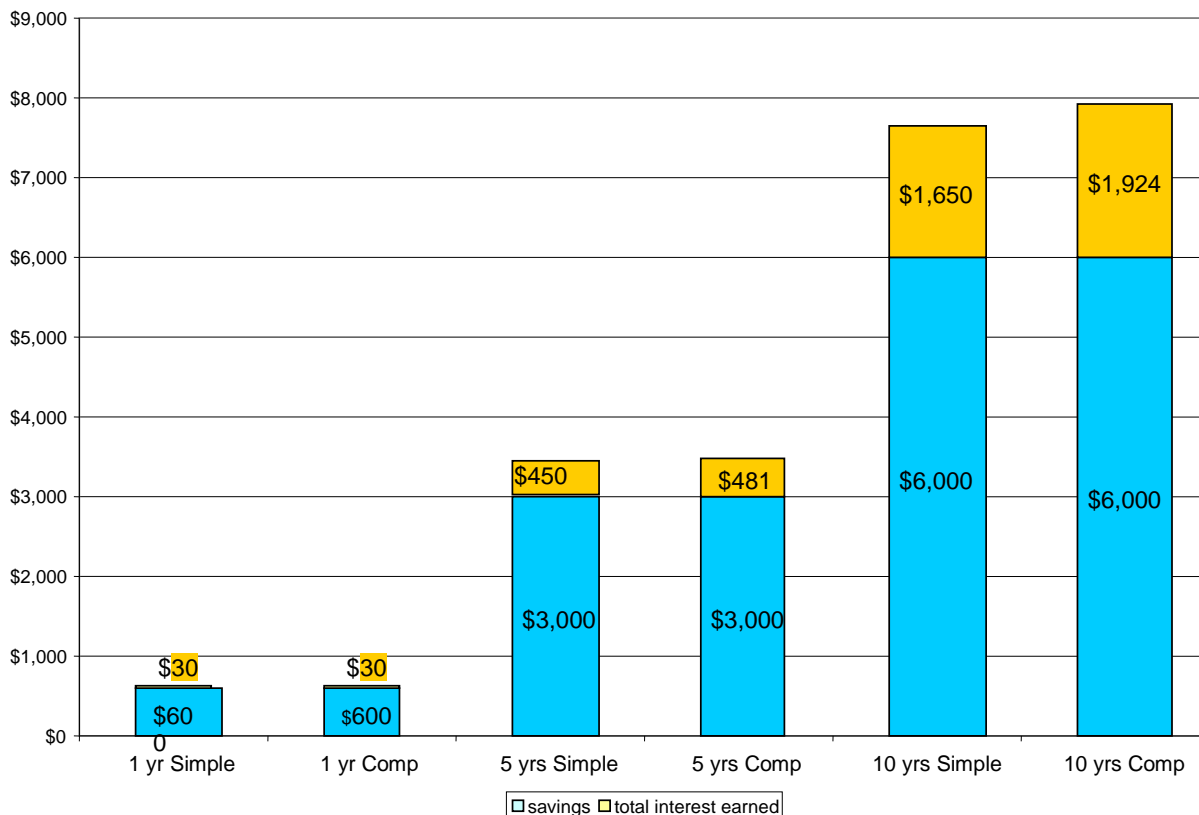
When you save, interest can help your money grow over time. There are two different types of interest.

Simple interest is the money earned on your original money. The interest earned on your original money is not added to the original amount, so does not earn interest.

Compound interest is different. When the money you save earns interest, the interest earned is added to the original amount, and the total makes interest. The earlier you start, the more you'll earn.



Directions: Using the charts below, answer the questions that follow.



WORKSHEET #40A CONTINUED

The table below illustrates how to calculate **simple interest**.

Example: You have \$100 in a savings account. How much it will be worth in one, three and five years at different interest rates?

Your money today	Annual % of Interest	Annual Interest earned	Number of years	Total Interest earned	Your money today	Total value of your money
\$100	x 5%	= \$5	x 1	= \$5	+ \$100	= \$105
\$100	x 5%	= \$5	x 3	= \$15	+ \$100	= \$115
\$100	x 5%	= \$5	x 5	= \$25	+ \$100	= \$125
\$100	x 10%	= \$10	x 10	= \$100	+ \$100	= \$200

Directions: Using the table above and the following steps, figure out how much \$10 will be worth in five years at different interest rates.

1. Multiply **Your Money Today** by the **Annual % of Interest** to find your **Annual Interest Earned**.
2. Multiply your **Annual Interest Earned** by the **Number of Years** you will keep the money in the bank to find your **Total Interest Earned**.
3. Add the **Total Interest Earned** to **Your Money Today** to calculate the **Total Value of Your Money**.

Your money today	Annual % of Interest	Annual Interest earned	Number of years	Total Interest earned	Your money today	Total value of your money
\$10	x 5%	=	x 5	=	+ \$10	=
\$10	x 8%	=	x 5	=	+ \$10	=
\$10	x 10%	=	x 5	=	+ \$10	=

WORKSHEET #40B

The table below illustrates how to calculate **compound interest**.

Example: High interest rates hurt you when you owe money but can help you when you save money. Compound interest is the way to go. If you put \$100 into a savings account that paid 10 percent compounded annually, you would earn a total of \$61.04 in interest in five years.

Year	Amount at start of year		Annual % of Interest		Total Interest		Amount at start of year		Total value of your money at the end of the year
1	\$100	x	10%	=	\$10	+	\$100	=	\$110
2	\$110	x	10%	=	\$11	+	\$110	=	\$121
3	\$121	x	10%	=	\$12.10	+	\$121	=	\$133.10
4	\$133.10	x	10%	=	\$13.31	+	\$133.10	=	\$146.41
5	\$146.41	x	10%	=	\$14.64	+	\$146.41	=	\$161.04

Directions: Based on the tables above, complete the following questions about simple interest and compound interest.

Why would you prefer a savings account that paid **simple** or **compound interest**? _____

List three habits that might prevent you from saving. _____

Are these good reasons not to save? Why or why not? _____

How could you deal with these reasons and still manage to save some money? _____

What are some things you might want to start saving for **now**? _____

Adapted from
Financing Your Future
[Minnesota Office of Higher Education]

WORKSHEET #41: LOOK TO THE FUTURE



When you think about your future, what do you see for yourself? Of course, everyone wants to believe he or she will be successful and able to do all the fun things that come with success, like traveling, raising a family, or just living comfortably.

But financial success doesn't just happen. It requires careful planning and strategy.

CONSIDER THIS: High school graduates make more money than those who drop out of high school. College graduates make more money than high school graduates.

Median Earnings Per Week	Amount of Education
\$419	Less than High School Diploma
\$595	High School Diploma (or GED)
\$721	Associate Degree
\$962	Bachelor's Degree
\$1,140	Master's Degree

Earnings are for year-round, full-time employed workers age 25 and older. Source: U.S. Bureau of Labor Statistics www.careeronestop.org/EducationTraining/Pay/EducationEarnsMoreMoney.aspx

What is the relationship between education and earnings? _____

The amount of education you choose goes a long way in determining the financial security you enjoy in life. Not all jobs require a college education, but getting any type of postsecondary education or formal job training gives you more options and choices. It opens the door to more career options, better jobs, and more opportunities. It also means you're less likely to be unemployed or underemployed.

Adapted from
Financing Your Future
[Minnesota Office of Higher Education]

WORKSHEET #42: PAYING FOR COLLEGE



College costs money, but it doesn't have to be a puzzle.

Directions: Use the crossword puzzle below to untangle different ways to pay for college. Then use the remaining letters to solve the riddle.

s f u t u g r e c o l l e g e
 e c i v r e s y r a t i l i m
 g r h a a y d q l y p t y c e
 p t n o l q a w d r x a l d k
 h t n i l i y u o l t x s g g
 s q m i i a t a t f l c g n z
 r a s y y s r b w x k r n g c
 f b j c k j p s r p k e i u u
 f x k r n e n p h d q d v m i
 h n o a s r g b a i y i a y n
 w w o n w p m e f i p t s t c
 z l a b t k b q l h b s c j c
 e o o o r k m z f f y j c y w
 l n a w a h j x u t o i e u s
 e q j c s d d q b q f c j h d

family

loans

savings

tax credits

grants

military service

scholarships

work study

You are a _____ !

Adapted from

Financing Your Future

[Minnesota Office of Higher Education]

WORKSHEET#43: HOW MUCH DOES COLLEGE REALLY COST?

Directions: Read each definition and fill in the blanks next to each definition to learn the different costs associated with attending college.

Different College Costs

t__tion and f__s

r__m and bo a__

boo__ and su__lies

per__al ex__ses

trans__ation expenses

Definitions:

What it costs to take classes and use certain facilities at the school such as the library, health center, or student activities.

The price of housing, whether you're living in a dormitory on-campus or an apartment off-campus, and the price of meals, whether it's in the college cafeteria or buying food and cooking for yourself.

Includes books, pencils, paper, and whatever you need to complete your courses.

Includes what you will spend on laundry, clothing, recreation, insurance and other items.

The cost of travel and commute from home to school or from school to home.

Directions: Think about the different costs of attending college and brainstorm ways you can save money in each area.

Room and Board	Books and Supplies	Personal Expenses	Transportation Expenses
<p>Example:</p> <ul style="list-style-type: none"> • Making dinner at home instead of eating out. • • • • 	<p>Example:</p> <ul style="list-style-type: none"> • Buying used textbooks instead of brand new books. • • • • 	<p>Example:</p> <ul style="list-style-type: none"> • Buying generic brand shampoo instead of brand names. • • • • 	<p>Example:</p> <ul style="list-style-type: none"> • Walk or ride my bike instead of taking the bus to school. • • • •

Adapted from

Financing Your Future

[Minnesota Office of Higher Education]