

MONEY MATTERS

Lesson Descriptions

Money Matters 1: Real-Life Budget I

How can creating a budget help me manage my money?

What kind of lifestyle can I afford with a high school education?

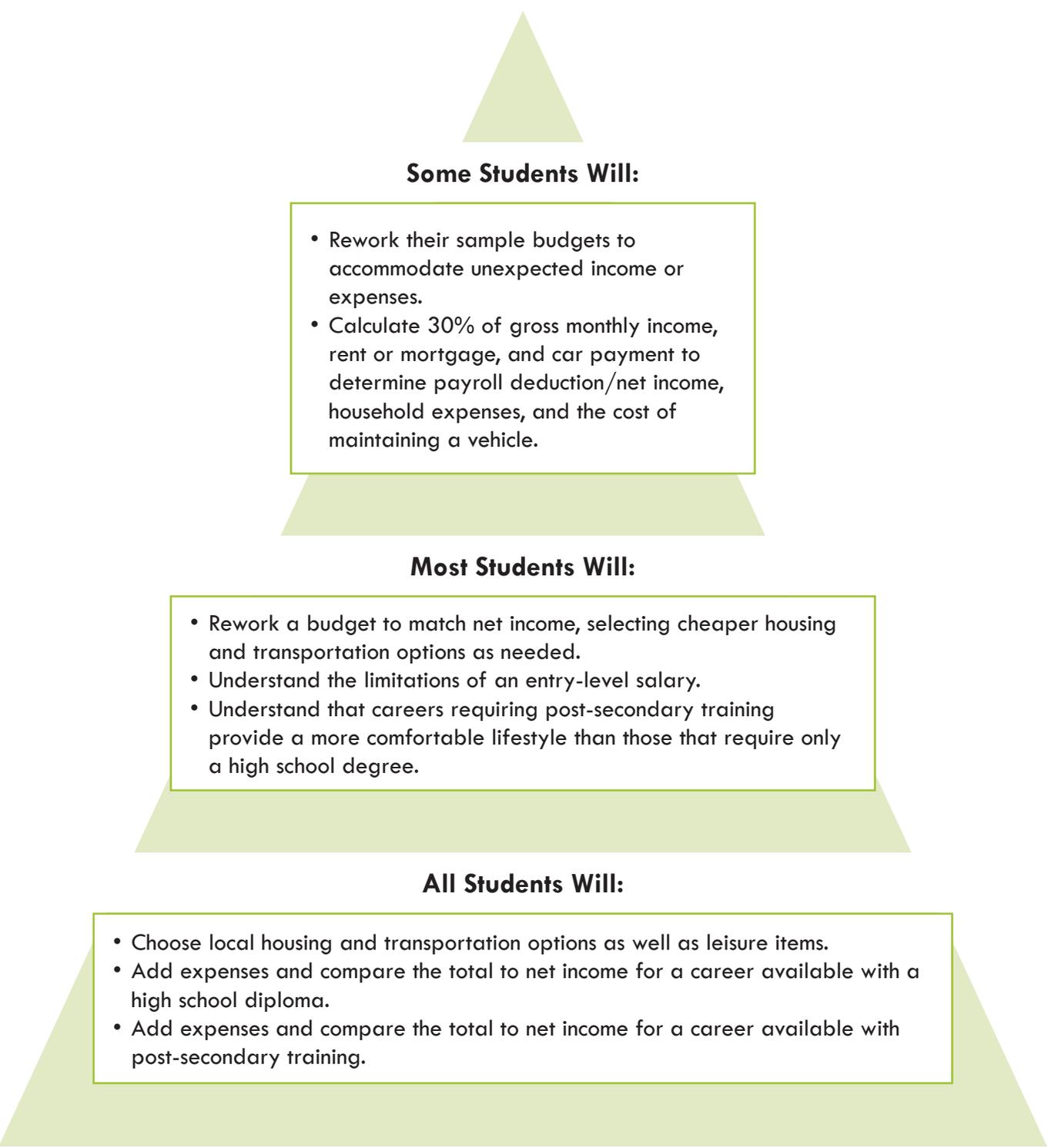
Money Matters 2: Real-Life Budget II

How can creating a budget help me manage my money?

What kind of lifestyle can I afford with additional post-secondary education?

PLANNING PYRAMID

GRADE 9, Unit 7, Money Matters



Some Students Will:

- Rework their sample budgets to accommodate unexpected income or expenses.
- Calculate 30% of gross monthly income, rent or mortgage, and car payment to determine payroll deduction/net income, household expenses, and the cost of maintaining a vehicle.

Most Students Will:

- Rework a budget to match net income, selecting cheaper housing and transportation options as needed.
- Understand the limitations of an entry-level salary.
- Understand that careers requiring post-secondary training provide a more comfortable lifestyle than those that require only a high school degree.

All Students Will:

- Choose local housing and transportation options as well as leisure items.
- Add expenses and compare the total to net income for a career available with a high school diploma.
- Add expenses and compare the total to net income for a career available with post-secondary training.

Roads to Success is a new program designed to help middle and high school students prepare for their futures. This newsletter will keep you posted on what we're doing in school, and how families can follow through at home.

For more about Roads to Success, visit www.roadstosuccess.org.

Did you know?

Almost 16 million families had at least one child over 18 living at home in 2003, up 7% from 1995 and 14% from 1985.

Experts say the rising costs of education and housing contribute to this trend.

Source: USA Today

Managing Money

Beginning salaries sound huge to young people who've never been responsible for paying the bills. Teens may expect fabulous apartments, sporty cars, and lots of luxuries as the logical result of hard work. Real life can be a real shock.

How can parents help prepare kids for life on their own? Things to discuss with your high school student:

Know what income to expect. Students may have unrealistic expectations about how they'll support themselves. Websites like www.bls.gov/k12/ give estimated salaries for many careers.

But salaries are only part of the story. Teens may be surprised at the size of their paychecks once taxes and other

deductions have been taken out. The next step is comparing income to expenses.



Know what things cost.

Looking at the cost of renting an apartment, owning a car, and buying groceries is a good reality check.

Students can expect to pay about a third of their income on housing. (In many places, rent is so expensive they'll need a roommate to split the bills.) Transportation (car payment, insurance, and gas), utilities, food, clothing, and entertainment also need to be considered. See www.consumerjungle.com for tips for sharing this info with your teen.

Anticipate monthly payments for student loans. Student loans are a pretty good deal for students who want to attend college. But monthly payments take a big bite out of take-home pay for young people who are just starting out, and it's good to know what to expect.

Stay out of credit card debt. 2/3 of people with credit cards don't pay them off every month. Interest on the unpaid balance and late fees can really add up! The Consumer Jungle website explains it this way: Suppose you are a 22-year-old with \$5000 in credit card debt at 18% interest. If you pay only the minimum payment each month, you'll be 50 by the time it's paid off. Don't use a credit card for things you don't really need. Don't use a credit card unless you can pay it off each month.

Grade by Grade: Money in the Classroom

9th-grade Roads to Success students participate in two real-life lessons in budgeting. In the first, they pick a monthly salary based on a job they could get with a high-school degree. In the second, they can choose a career from one of 3

groups: degree from a community college or tech school, 4-year college, or college plus more education (like medical school or law school).

There are two important lessons here. One is that education after high

school provides more career options, often with better salaries. The second is that few recent graduates have jobs that allow them to buy everything they want. Saving, planning, and self-restraint are keys to a bright financial future.

Real-Life Budget I

The **BIG** Idea

- How can creating a budget help me manage my money?
What kind of lifestyle can I afford with a high school education?

AGENDA

Approx. 45 minutes

- I. Warm-up: You're Making Money! (5 minutes)
- II. Deductions (10 minutes)
- III. Imagine Your Life (10 minutes)
- IV. Real Life, Real Budget (15 minutes)
- V. Wrap-up (5 minutes)

MATERIALS

STUDENT HANDBOOK PAGES:

- Student Handbook page 105, Monthly Budget Worksheet 1
- Student Handbook page 106, Expenses Worksheet 1
- Student Handbook page 107, Percentage Calculator (optional)

FACILITATOR PAGES:

- Facilitator Resource 1, Monthly Salary Cards (your state only)
- Facilitator Resource 2, You Choose: Housing (one per student, your state only)
- Facilitator Resource 3, You Choose: Transportation, Leisure Items (one per student)

- Calculators (one per student)

OBJECTIVES

During this lesson, the student(s) will:

- Determine expenses, including those based on choices for housing, transportation, and leisure items.
- Develop, analyze, and revise a budget based on actual incomes and expenses.

OVERVIEW

In this lesson, students discover how they could make and maintain a budget in the real world. Students will be given an actual monthly salary for a career that could be attained with a high school degree. Then they'll learn about the percentage of income that's subtracted for taxes, and the difference between their gross and net incomes. Next, students will determine their expenses, including those based on choices they make about their housing, transportation, and leisure items. Finally, they'll compare their monthly net income and expenses, and determine if they have a monthly balance or if they need to cut down expenses by making different choices.

PREPARATION

- List the **BIG IDEA** and the day's activities on the board.
- Write the day's vocabulary words and definitions on the board.
- Make transparencies of the following pages:
 - **Student Handbook page 105, Monthly Budget Worksheet 1**
 - **Student Handbook page 106, Expenses Worksheet 1**
 - **Student Handbook page 107, Percentage Calculator**
- Print out **Facilitator Resource 1, Monthly Salary Cards** for your state and cut out the individual cards.
- Create packets of housing, transportation, and leisure items for each student, using **Facilitator Resource 2, You Choose: Housing** for your state only, and **Facilitator Resource 3, You Choose: Transportation and Leisure Items**. (Note, if you prefer, you may create a class set of packets and reuse from class to class.)

Note: Facilitator Resource 1 provides career descriptions and salaries based on information from www.IHaveAPlanIowa.gov. You may wish to consider reviewing and updating this information. **Facilitator Resources 2 and 3** provide choices for housing, transportation, and leisure items, which students select to create annual budgets. Local housing options have been provided for urban and rural areas of Iowa. You may wish to provide alternatives specific to your region, updated to reflect current prices.

BACKGROUND INFORMATION

Most students have some experience with income, whether it's an after-school job or an allowance, as well as spending, such as downloading music or buying clothes. But as they begin to think about life after high school, it's important they learn how incomes and expenses compare. They should begin to recognize some of the expenses they'll face on their own, as well as how far a monthly salary can go to cover these expenses. By using sample monthly salaries and living expenses, students will begin to appreciate the challenge of making an income cover their expenses. They'll also begin to understand how budgets can help them plan and set realistic goals.

VOCABULARY

Budget: a plan that helps people track spending so they can get the things they need and want without running out of money

Deductions: money taken out of your income for taxes

Expense: what you spend money on

Gross income: the money you earn *before* taxes are taken out

Income: the money you have coming in

Net income: your “take home” pay or paycheck amount; the money you earn *after* taxes are taken out

IMPLEMENTATION OPTIONS

Most students will need careful explanation of the budgeting process. These tips are based on facilitators' experience in previous years:

- Have students consider whether they're adding or subtracting, and why. You may want to point out that the purpose of **Student Handbook page 106, Expenses Worksheet 1**, is to add up all of their expenses for the month. Their total on this worksheet will be included on **Student Handbook page 105, Monthly Budget Worksheet 1**, where they'll subtract taxes and expenses from their gross monthly income to find out if they can af-

ford everything they want.

- Students' abilities to perform calculations will vary greatly. You may want to designate good math students as "team leaders" to provide assistance as needed.
- To minimize paper shuffling, some facilitators had success walking students through their choices one category at a time, setting a time limit for housing and having students star their choice before moving on to the next category. Students should select no more than 3 leisure items.
- 3-year car loans have been listed for used cars, with 5-year car loans for new cars.
- On **Student Handbook page 106, Expenses Worksheet 1**, item F, students shouldn't worry too much about assigning expenses to the correct category. For example, high speed Internet and premium cable is a leisure item, but could be legitimately categorized as entertainment.

If your students find the Housing Costs, Transportation Costs, Leisure Time, and Grocery calculations challenging, you can skip clothing, entertainment, and other expenses or suggest a reasonable amount for each.

Students can also learn more about the careers featured in this lesson by exploring IHaveAPlanlowa.gov website at www.IHaveAPlanlowa.gov. The salary cards in both Real-Life Budgeting lessons were adapted from information from IHaveAPlanlowa.gov.

This lesson and the one that follows require students to do basic addition and subtraction. Students are also required to calculate percentages, as follows:

- 30% of gross monthly income = payroll deductions
- 30% of rent or mortgage = monthly household expenses
- 30% of monthly car payment = vehicle maintenance and insurance

Calculating percentages has potential as a teachable moment to show students the value of skills taught in math class. Some students will struggle with this, so you'll want to provide enough assistance so that all can create a budget without spending an undue length of time on calculations.

Here's a list of options, in order of least assistance to most.

OPTION 1

Remind students how to calculate percentages as follows:

1. **SAY SOMETHING LIKE:** Many students (and even some adults) find calculating percentages to be intimidating, but it's a great skill to have. Not only will you be able to find out how much will be deducted from your paycheck for taxes, but you can figure out the sale price of something that's 30% off, right in the store, with no calculator and no multiplying.
2. **SAY SOMETHING LIKE:** Here's the trick. Let's say your gross income for the month is \$1670. Do I have any math experts who can tell me what 10% of \$1670 is? [At least a few of your students will know that it's \$167 – you're just dividing by 10 or moving the decimal point.] What about 10% of 2360? [\$236] What about 10% of \$5240? [\$524] Anybody see a pattern here?

[On the board, write:

$$10\% \text{ of } \$1670 = \$167$$

$$10\% \text{ of } \$2360 = \$236$$

$$10\% \text{ of } \$5240 = \$524]$$

If we already know what 10% is, how can we figure out what 20% is? [Add 10% + 10%; in the first example $\$167 + \167 .] How about 30%? [Add 10% + 10% + 10%, or $\$167 + \$167 + \$167$.]

[On the board, write:

$$20\% = 10\% + 10\%$$

$$30\% = 10\% + 10\% + 10\%]$$

By the way, I don't expect you to become an expert at percentages in a single lesson. Whom can you ask if you need more help?

OPTION 2

Direct students to optional **Student Handbook page 107, Percentage Calculator**, and use the overhead projector to model how to use it.

OPTION 3

Provide students with calculators and talk them through the steps to calculate 30%.

OPTION 4

Pre-calculate 30% of all figures, and write these amounts in a different color on the career cards as well as the list of housing and transportation choices.

ACTIVITY STEPS

I. WARM-UP: You're Making Money! (5 minutes)

1. **SAY SOMETHING LIKE:** Today we're going to travel ahead in time about four years. Are you ready? Let's go...

Congratulations! You've graduated from high school, and you're ready to make it on your own in the real world. Of course, your first step is to get a job. The good news is, you don't even have to interview. I'm going to hand you a card for a job you could get right out of high school.

Every card includes the name of a career, a description of the job, and the starting monthly salary. Take a minute to read about your new job.

[Hand out a card to each student.]

2. **SAY SOMETHING LIKE:** The monthly salaries on these cards range from about \$1,000 to \$3,140. Think that sounds like a lot? In this lesson, we're going to find out just how far that salary goes. You're going to create a **budget**, or a plan for spending money. The first step is to figure out your **income**, or the money coming in. And that all depends on the card you're holding in your hand.
3. **SAY SOMETHING LIKE:** The next step is to determine your **expenses**, or the things you spend your money on. What are some things you'll spend money on when you're on your own?

[Write their answers on chart paper. If students need help, encourage them to think about where they'll live, how they'll get to work, what they'll do if they get sick, and things they might like to do for fun.]

4. **SAY SOMETHING LIKE:** The items on this list are expenses, or things you spend your money on. Figuring out your expenses is the next step in setting up a budget. The challenge is to make sure your income, or the money you bring in, can cover the things you need, or your expenses.

II. Deductions (10 minutes)

1. **SAY SOMETHING LIKE:** Let's say your monthly salary is \$2000. That means you have \$2000 to spend on expenses, right? Not exactly. Your salary is different from your "take

home pay” or paycheck, because money is deducted, or taken out, of every paycheck you earn. These are called “**deductions.**” Does anyone know what deductions pay for?

That’s right — taxes. The main taxes deducted from your paycheck are federal income tax, state and local income tax, and Social Security tax. Federal, state, and local income taxes pay for things like roads, the military, schools, parks, and police and fire services. Social Security tax helps pay benefits to people who are disabled or retired.

2. [Ask students to guess what percentage is taken out of a typical monthly paycheck. They might be surprised to learn that about 30% is deducted. Explain that the amount taken out depends on different factors like where you live, how much you make, and how many people are financially dependent on you, such as children.]
3. **SAY SOMETHING LIKE:** Let’s figure out your actual paycheck if 30% is deducted for taxes. Say your monthly salary is \$2000. That’s your **gross income** – or the money you earn before taxes are taken out. Your taxes are based on your gross income.

[Project a transparency of **Student Handbook page 105, Monthly Budget Worksheet 1**, for the class to see. Refer students to this page. On line A, Gross Monthly Income, write \$2000.]

4. **SAY SOMETHING LIKE:** Now let’s figure out your deductions. If 30% is deducted for taxes, you can calculate the deductions by multiplying your gross income by 30% or 0.3. Use your calculators to see what the deductions would be.

[On the transparency, write \$600 next to line B, Deductions.]

5. **SAY SOMETHING LIKE:** So how much money will be in your paycheck? You’re having money taken out of your pay for taxes, so subtract your deductions from the gross income. What’s left is your **net income**.

[On the transparency, write \$1400 next to line C, Net Monthly Income.]

6. **SAY SOMETHING LIKE:** Now it’s your turn. Look at the monthly salary on your salary card. This is your gross monthly income. Write this on line A.

Then use your calculators to determine your deductions and your net monthly income. First, multiply your salary by 0.3. Write that amount on line B. Then subtract line B from

line A to get your net income.

7. **SAY SOMETHING LIKE:** Are you surprised at the difference between your salary and what you actually get to take home?

In the next activity, you will figure out how you're going to spend that paycheck. Remember, the point of this game is to make sure we have more money coming in, or income, than going out, your expenses.

III. Imagine Your Life (10 minutes)

1. **SAY SOMETHING LIKE:** Now that you've figured out your monthly paycheck, how are you going to spend it? Where will you live? How will you get around? What will you do for fun?

[Distribute packets of housing, transportation, and leisure item choices you've created using **Facilitator Resource 2, You Choose: Housing** for your state and **Facilitator Resource 3, You Choose: Transportation and Leisure Items.**]

Look through these handouts and choose one option for housing, one for transportation, and up to three "leisure items." (These are some of the "fun" things you might hope to have as an adult.)

A couple of things to note:

- A place to live will probably be your single biggest expense, so we've given you the option of living at home with your family (and giving them a little rent money) or sharing your space with roommates and dividing the rent between you.
- Also, you'll note that some of the leisure items are too expensive to buy in a single month, so we've divided the payments up so you can pay for them a little bit at a time. (In real life, it's very expensive to do this. Credit card companies charge interest and if you spread out the payments, your purchase can cost many times its original price.)
- [If students ask why someone would rent when it's just as cheap to own, explain that buying your own home usually requires a big payment before you move in – often 10% of the purchase price or more.]

2. [Have students share some of their choices with a partner.]
3. **SAY SOMETHING LIKE:** What are some of the choices you made? How did you decide

what house, car, or leisure items to choose? Do you think you'll be able to afford your choices?

IV. Real Life, Real Budget (15 minutes)

1. [Project a transparency of **Student Handbook page 106, Expenses Worksheet 1**, and refer students to this page. As you discuss each step below, model the process by writing in an amount based on the available choices and describing what you're doing.]

SAY SOMETHING LIKE: Now it's time to figure out if you can afford the things you chose. The first step is to fill in your expenses based on your choices. First, look at your housing choice. You'll notice there's either a mortgage or rent listed. A mortgage is a payment you make in order to own an apartment or a house. When someone else owns the apartment or house, you pay the owner rent. Fill in your mortgage or rent in the first line under "Housing Costs."

2. **SAY SOMETHING LIKE:** Of course, when you live someplace, you also have to pay for things like electricity, heat, and a telephone. Let's figure out your household bills.

[Show students how to calculate their household bills. They can estimate these will be about 30% of their monthly rent or mortgage payment. To calculate their household bills, they can multiply rent or mortgage by 30% or 0.3. Have students fill in this number on their worksheet. Then have them determine their total housing costs. Remind them that they're adding rent plus the extra expenses of running a household.]

3. [Next, have students look at their transportation choice and decide whether they want a new or used car. Show them where to fill in their monthly payment on the worksheet. Explain that if they have a car, they'll also have to pay for things like gas, insurance, taxes, and repairs. 30% of a monthly car payment is an estimate of how much it costs to run a car – so students will once again multiply their monthly payment by 30%, or 0.3, to determine this cost. This is another addition problem – adding the cost of owning a car to the cost of their car payments. Have them total their transportation costs.]
4. **SAY SOMETHING LIKE:** Does it seem like things are starting to add up? Let's not forget those leisure items! [Have students add these expenses to their worksheet.]
5. [Next, have students determine their monthly grocery total. Explain that this amount should be a minimum of \$250. They can add \$5 for any meal they want to eat at a fast-food restaurant, and \$20 for every meal they want to eat in a fancier restaurant.]

Have students add their grocery total to the worksheet.

(Note: if students find it hard to believe they'll spend \$250/month on food, tell them this amounts to about \$8.30 a day. Lunch at a fast-food restaurant is probably about \$5, a soft drink another \$1. If lunch and a soda cost \$6, they'd have \$2.30 left to pay for breakfast and dinner!]

6. [Then have students determine what they'll spend on clothing each month. This amount can vary, but they must include something. Talk about the cost of some typical items, such as jeans (\$50) and sneakers (\$100). Encourage them to be realistic about how often they'll shop for these things. Have students add their total to the worksheet under "Clothing."]
7. [Finally, have students talk about expenses they might have in the final two categories of the worksheet. For example, "Entertainment" might include things like buying music or going to the movies with friends. "Other expenses" might include things like getting a haircut, toiletries, and cleaning supplies. As you brainstorm these expenses, write each activity or item and its cost on chart paper.]
8. **SAY SOMETHING LIKE:** Now it's time to add up all our expenses. [Have students use their calculators to determine their Total Monthly Expenses.]
9. **SAY SOMETHING LIKE:** The real question is, does our income cover these expenses? Turn back to your Monthly Budget Worksheet and write your Total Monthly Expenses on line G.

[Project a transparency of **Student Handbook page 105, Monthly Budget Worksheet 1**, and refer students to this page.]

10. **SAY SOMETHING LIKE:** Now it's time to compare your monthly expenses to your net monthly income. Are your expenses less than your income? If so, that's great! Subtract your expenses from your income to determine your monthly balance. You have money left to save or spend!

If your expenses are *more* than your income, then you can't pay your bills! Go back and make different choices for housing, transportation, or leisure items. [Using the figures you've chosen, show students how to do this, for example, "I really, really want my own car, but I'm \$300 over budget. Maybe I need to find a cheaper apartment or live

with my parents if this is my priority.”]

Do this until your monthly expenses are the same or less than your monthly income. Remember, if you really want something in one category, like a special car, you might have to give up things in other categories, like that house and fishing boat.

[At this point, you may want to pair students to help each other come up with a budget that works for their income.]

V. WRAP-UP (5 minutes)

1. SAY SOMETHING LIKE:

- What surprised you about this activity? Did your monthly salary go as far as you thought it would in the beginning of the lesson?
- If your income didn't cover your expenses, what are some adjustments you had to make?
- If you had money left over, do you think you would spend it on extra things or save it? Why?
- What are some ways you could adjust your budget to afford a bigger house, a more expensive car, or an additional leisure item? (*You could do this by cutting back on expenses; saving money each month; or getting a second job, a promotion, or a new job with a higher salary.*)

[Let students know that next week they'll have a chance to check out what lifestyle changes they might expect if they decide to complete additional education after high school.]

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<p>Home Appliance Repairer High School Degree</p> <p>Repairs, adjusts, and installs all types of electric household appliances and tools. Observes appliances during operation and examines mechanical and electrical parts to diagnose a problem. Replaces worn and defective parts, such as switches, bearings, belts, gears, and wiring on appliances.</p> <p>Monthly salary (entry level): \$2933 IA</p>	<p>Baker High School Degree</p> <p>Mixes and bakes ingredients according to recipes to produce breads, pastries, and other baked goods. Goods are produced in large quantities for sale in businesses such as grocery stores.</p> <p>Monthly salary (entry level): \$1366 IA</p>
<p>Bank Teller High School Degree</p> <p>Receives and pays out money in a financial institution. Keeps records.</p> <p>Monthly salary (entry level): \$1480 IA</p>	<p>Brickmason High School Degree</p> <p>Sets bricks, concrete blocks, masonry panels, and other masonry materials to construct or repair walls, partitions, arches, sewers, and other structures.</p> <p>Monthly salary (entry level): \$2505 IA</p>
<p>Bus Driver High School Degree</p> <p>Drives a bus to transport passengers from place to place within a city or town or from city to city. Drives vehicles over routes and to specified destinations according to time schedules. Helps passengers with baggage, and collects tickets or cash fares.</p> <p>Monthly salary (entry level): \$1380 IA</p>	<p>Cashier High School Degree</p> <p>Receives payments, issues receipts, handles credit transactions, accounts for the amounts received, and performs related duties in a wide variety of businesses. Resolves customer complaints. Answers customers' questions and provides information on policies.</p> <p>Monthly salary (entry level): \$1104 IA</p>

<p>Data Entry Keyer High School Degree</p> <p>Operates keyboards or other data entry devices to input data into a computer or onto disk, tape, or card. Duties include coding and verifying alphabetic or numeric data. Compiles, sorts, and verifies the accuracy of data to be entered. Deletes incorrectly entered data.</p> <p>Monthly salary (entry level): \$1419 IA</p>	<p>Fast Food Cook High School Degree</p> <p>Prepares and cooks food in a fast food restaurant with a limited menu. Duties are typically limited to one or two basic items requiring short preparation time.</p> <p>Monthly salary (entry level): \$1099 IA</p>
<p>Floral Designer/Florist High School Degree</p> <p>Designs live, cut, dried, and artificial floral arrangements for individuals or for events such as weddings, banquets, and funerals. Decorates buildings, halls, churches, and other facilities where events are planned. Talks to customers about the care and handling and various flowers and plants.</p> <p>Monthly salary (entry level): \$1329 IA</p>	<p>Home Health Aide High School Degree</p> <p>Attends to the personal health needs of elderly, sick, or handicapped persons in their homes. Provides medical care as prescribed by a physician or under direction of a home care nurse. Changes bed linens, washes patients' laundry and cleans patients' rooms.</p> <p>Monthly salary (entry level): \$1397 IA</p>
<p>Freight/Stock/Material Handler High School Degree</p> <p>Loads, unloads and moves freight materials at a plant, yard, or other work site. Records the number of items handled and moved using production sheets.</p> <p>Monthly salary (entry level): \$1400 IA</p>	<p>Hotel/Motel Clerk High School Degree</p> <p>Hotel/Motel Clerks serve hotel customers by registering and assigning rooms, issuing room keys, sending and receiving messages, making and confirming reservations, and presenting statements to and collecting payments from departing guests.</p> <p>Monthly salary (entry level): \$1313 IA</p>

<p>Postal Clerk High School Degree</p> <p>Performs a variety of tasks in a post office, such as receiving letters and parcels; selling postage stamps, postal cards, and stamped envelopes; answering questions from the public; and placing mail in pigeon holes of mail rack or in bags according to name, address, zip code, or other scheme.</p> <p>Monthly salary (entry level): \$3745 IA</p>	<p>Security Guard High School Degree</p> <p>Stands guard at the entrance or patrols the premises of business or other establishments to prevent theft, violence, or infractions of rules. Guards property against fire, theft, vandalism, and illegal entry.</p> <p>Monthly salary (entry level): \$1327 IA</p>
<p>Short-order Cook High School Degree</p> <p>Prepares and cooks to order a variety of foods that require only a short preparation time. May take orders from customers and serve patrons at counters or tables.</p> <p>Monthly salary (entry level): \$1102 IA</p>	<p>Telemarketer High School Degree</p> <p>Contacts customers by phone to persuade them to purchase merchandise or services. Explains features and prices of products or services. Gets information about customers, such as name, address and payment method, and enters orders into a computer. Maintains records of contacts, accounts and orders.</p> <p>Monthly salary (entry level): \$1187 IA</p>
<p>Heavy Truck Driver High School Degree</p> <p>Drives trucks that carry materials weighing 3 tons or more. Drives trucks to transport and deliver freight, building materials, farm supplies, or other heavy cargo. Keeps a driving log according to state and federal regulations. Operates equipment on vehicles to load and unload cargo, or loads and unloads by hand.</p> <p>Monthly salary (entry level): \$1375 IA</p>	

Iowa Housing



DES MOINES, IA

1.5 story, 1411 sqft of livable area. House has original oak trim around all doorways and windows. Hardwood oak floors under carpet. Large hand-capped 1st floor bathroom new in 2005. Roof and insulation were replaced in 2003/2005. Water heater new in 2009. All appliances stay including a stackable washer/dryer combo. 2 bedroom and large bathroom with storage cupboard are upstairs, each bedroom has there own set of stairs. Fenced in backyard. House is sound, needs some cosmetic touches and some TLC but house is in livable condition while you pretty it up.

Cost: \$34,888

Mortgage: \$140/month

(based on 30 year fixed rate mortgage)

Share with 1 person: \$70/month

Source: www.realtor.com



DES MOINES, IA

The one owner raised ranch offers hardwood floors, beautiful updated oak kitchen with eating area and bar stool seating, two bedrooms on the main level near the updated bath including Jacuzzi bathtub and shower. The 500sq.ft. addition off the kitchen is framed and complete with windows and siding just waiting for electrical and drywall. This space would be incredible as master bedroom, first floor laundry/bath or a huge family room for friends and family. Lower level gives access to garage and holds laundry, storage and finished bedroom and office area. Mature landscaping, vinyl siding, newer windows, and newer roof are just a few of the amenities.

Cost: \$100,000

Mortgage: \$410/month

(based on 30 year fixed rate mortgage)

Share with 2 people: \$137/month

Source: www.realtor.com



DES MOINES, IA

Enjoy the wonderful spaces in this charming Waterbury 3 story brick! The character begins with the covered stone entry to welcome guests and continues with beautiful woodwork, arched doorways, original wood doors and arched windows and beautiful hardwood floors throughout including stairs and bedrooms. The main level features a gracious foyer, beautiful living area with fireplace, large formal dining room wonderful for entertaining, spacious kitchen with large eat in area, 1/2 bath and a large sunny solarium. The second level features large master with bath; 3 additional bedrooms and a beautiful remodeled full bath. The 3rd floor has finished attic area great for 5th bedroom, study or play room. This home is situated on a beautiful park-like large corner lot. Many updates including new furnace and AC in 2009.

Cost: \$310,000

Mortgage: \$1,520/month
(based on fixed 30 year mortgage)

Share w/3 people: \$380/month

Source: www.realtor.com



DES MOINES, IA

With two bedrooms starting at \$605, The Village at Westchester is the right place at the right price. Your new home gives you furniture arranging flexibility and plenty of storage space. Cats have always been welcome and dogs are now welcome, too! Conveniently located near shopping, schools and restaurants and with a variety of floorplans and prices, The Village at Westchester has much to offer to its residents.

Rent: \$605/month

Share w/1 person: \$303/month

Source: www.rent.com



CEDAR RAPIDS, IA

Fantastic starter home or investment! Two story house loaded with character that includes original wood-work, hardwood floors, built-in appliances, and spacious updated kitchen. This residence has three bedrooms, 1757 finished square feet, a fenced yard, and an oversized two car garage with workshop.

Cost: \$53,500

Mortgage: \$220/month

(based on 30 year fixed rate mortgage

Share w/2 people: \$73/month)

Source: www.realtor.com



CEDAR RAPIDS, IA

A beautiful row home built in 2001 that has 2 bedrooms and 2 full bathrooms with 1460 square feet. All appliances are relatively new and come included with the house. There is a formal dining room, an eat in kitchen, and vaulted ceilings in the living room.

Cost: \$157,900

Mortgage: \$770/month

(based on 30 year fixed rate mortgage

Share w/1 person: \$385/month)

Source: www.realtor.com



CEDAR RAPIDS, IA

This lavish apartment community in Northeast Cedar Rapids has much to offer. Grand Reserve offers a warm and friendly atmosphere. It is located just North of Blairsferry Road in a quiet neighborhood minutes from the main attractions of Cedar Rapids. Enjoy the spacious two bedroom apartment-home with breathtaking scenery, extra amenities and services we have to offer like vallet dry cleaning, maid service, guest suite, putting green, playgrounds and much more!

Rent: \$860/month

Share w/1 person: \$430/month

Source: www.rent.com



CEDAR RAPIDS, IA

This is a great one bedroom apartment that is tucked away in a very nice, quiet residential area. The apartment has central air and forced air furnace, newer carpet and ceiling fans, and a nice open floor plan with ample storage space.

Rent: \$395/month

Source: www.craigslist.com



SIoux CITY, IA

Brick-faced raised ranch with 3 bedrooms, 3 baths, formal dining room, eat-in kitchen with open family room, main floor laundry. Walkout lower level offers rec. room, office/computer room, shop/storage room, large garage. Lots of redecorating has been done, loads of built-ins, fireplace, quiet cul-de-sac location. This home has several updates in the past several years like roof, siding, furnace ect. Large, beautiful backyard.

Cost: \$200,000

Mortgage: \$980/month

(based on 30 year fixed rate mortgage)

Share w/2 people: \$327/month

Source: www.realtor.com



SIoux FALLS, IA

A cozy 764 square foot home with 2 bedrooms and 1 bathroom. This is a freshly updated home with newer kitchen and bath, privacy fenced-in yard for summers grilling with friends, and a relaxing deck to watch the summer fun in nearby park.

Cost: \$44,950

Mortgage: \$190/month

(based on 30 year fixed rate mortgage)

Share w/1 person: \$95/month

Source: www.realtor.com



SIoux CITY, IA

Spacious two bedroom and two full bathroom apartment home that is in a relaxed and secure community. Apartment comes ready with all appliances, including washer and dryer, , air-conditioning, walk-in closets, and carpeting. The facilities include clubhouse, tennis court, fitness center, and a pool.

Rent: \$785/month

Share w/1 person: \$393/month

Source: www.rent.com



SIoux FALL, IA

This apartment has 2 bedrooms and 1 bathroom within 1000 square feet. The dining area includes enough room for a four person table, and a ceiling fan. The kitchen includes all the major appliances, and plenty of cabinet and counter-top space. The bedrooms have ample room and the master room has a walk-in closet.

Rent: \$605/month

Share w/1 person: \$303/month

Source: www.craigslist.com



DUBUQUE, IA

An impressive custom built, all brick ranch walk-out home. It has beautiful cherry cabinetry and granite counters in the kitchen while the spacious formal dining room offers more space for entertaining. The living room has a temperature control fireplace with remote, surround sound, and a 50 inch TV included. The master bedroom has a large walk-in closet, beautiful bath and dual vanity, and a thermostatically controlled heated floor. Much more is included in the rest of this amazing house.

Cost: \$670,000

Mortgage: \$3,270/month

(based on 30 year fixed rate mortgage)

Share w/3 people: \$1,090/month

Source: www.realtor.com



DUBUQUE, IA

This three bedroom and two bathroom house is located in a great area. It offers a spacious living room with newer carpeting and a large eat-in kitchen with newer flooring, new ceiling fan and all the appliances remain. Upstairs is the master bedroom and a nicely remodeled master bath. The lower level offers lots of storage. This home has newer windows and siding and the yard offers extensive landscaping.

Cost: \$109,500

Mortgage: \$450/month

(based on 30 year fixed rate mortgage)

Share w/2 people: \$150/month

Source: www.realtor.com



DUBUQUE, IA

Don't miss out on this brand new home that was just completed. Situated on a great lot with nice back/side yard that backs up to a future city park. This is a 3 bedroom, 2 bath home with an attached 2 car garage. Features include hardwood cabinets, Shaw carpet, Whirlpool appliances, and a walkout lower level that is insulated and dry walled, and could be rented out as duplex with a separate entrance, if you wanted.

Cost: \$159,000

Mortgage: \$780/month

(based on 30 year fixed rate mortgage)

Share w/3 people: \$260/month

Source: www.realtor.com

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USED Ford Focus (2000)

4 door, 4 wheel drive sedan with silver exterior and black interior.

AM/FM stereo and cassette, radial tires, air conditioning, air bags, reclining seats,

Mileage: 61, 192

Cost: \$5,200

3 year loan (7.6% interest): \$155/month

Source: www.cars.com



USED GMC- Jimmy (2000)

Silver exterior, gray interior SUV.

Features include: ABS, Air Conditioning, Alloy Wheels, AM/FM Radio, Bucket Seating, CD Player, Cruise Control, Driver-Side Airbag, Leather Interior, ****Low Mileage****, Passenger-Side Airbag, Power Locks, Power Mirrors, Power Seats, Power Steering, Power Windows, Rear Window Defroster, Rear Window Wiper, Tilt Wheel, Tinted Glass

Mileage 51, 426

Cost: \$4,495

3 year loan (7.6% interest): \$277.25/month

Source: www.cars.com



NEW Kia Rio (2011)

Four door sedan, 5 passenger capacity.

Features include: Air conditioning, AM/FM radio and CD player, power windows, rear window wiper, tinted glass, power door locks. Rear seat adjustable headrests. Driver and passenger front airbags, anti-lock brakes.

Cost: \$12,190

5 year loan (7.6% interest): \$220.94/month

Source: www.kia.com



NEW Ford Taurus (2011)

Four door sedan, 5 passenger capacity.

Features include: AM/FM radio with four speakers and cassette player; driver and passenger side air-bag with dual stage deployment; child safety door locks; front reclining split bench seat with adjustable head rest; adaptive automatic transmission; tilt steering column; air conditioning.

Cost: \$25,170

5 year loan (7.6% interest): \$389.66/month

Source: www.autos.yahoo.com



USED Ford F-150 (2005) XL (4 x2 cab)

Features include: V-6 or V-8 power; manual or automatic; 4 speed automatic transmission with over-drive; comfortable interior cab; quiet ride; driver and passenger air bags; front anti-roll bar.

Mileage: 41,596

Cost: \$14,755

3 year loan (7.6% interest): \$637.84/month

Source: www.cars.com



NEW Lexus ES (2011)

Five passenger luxury sedan, Won Best Overall value in its class.

Features include: All leather interior is leather with brown walnut trim; rain sensing wipers, daytime running lights, child safety locks for rear doors, collapsible steering column, heated and ventilated front seats, V6 engine, front-wheel drive, driver and passenger air bags.

Cost: \$35,175

5 year loan (7.6% interest): \$680.20/month

Source: www.lexus.com

Leisure Items



Bose Sound Dock: \$299
\$25/month for a year



Phillips 22" Flat Screen HDTV: \$190
\$15/month for a year



Dell Laptop Computer: \$499
\$42/month for a year



Canon Digital Camera: \$190
\$16/month for a year



[Click For Larger Image](#)

Murray Designer Pool Table: \$5,000
\$416/month for a year



49 Esprit De Soleil Yanmar Marine
Power Boat: \$49,000
\$816/month for 5 years



Miami Vacation for 2 (7 days): \$1,200
\$100/month for a year



SSR Dirt Bike: \$660
\$55/month for a year



Camp Canine Dog Care: \$30/month
For the Life of the Animal



Season Tickets: \$810
\$67/month for a year



24 Hour Fitness Gym Membership:
\$70/month



Optimum High-speed Internet & Premium
Cable:
\$100/month

Monthly Budget Worksheet 1

Career _____ Education Level _____

Use this worksheet to subtract taxes and expenses from your gross monthly income.

Monthly Income	
A) Gross Monthly Income	\$ _____
B) Deductions (30% of A) (Multiply A by .3)	\$ _____
C) Net Monthly Income ($A - B = C$)	\$ _____
G) Total Monthly Expenses (from Expenses Worksheet on page 106)	\$ _____
H) Monthly Balance ($C - G = H$)	\$ _____

Expenses Worksheet 1

Use this worksheet to add up your expenses for one month.

Expenses: Details	Subtotal
D) Housing Costs Monthly rent or mortgage \$ _____ Household bills + \$ _____ (30% of rent or mortgage) (Multiply rent/mortgage by .3)	\$ _____
E) Transportation Costs Monthly payment or \$ _____ other transportation costs Vehicle maintenance + \$ _____ (30% of monthly payment) (Multiply car payment by .3)	\$ _____
F) Other Costs Leisure Item: _____ \$ _____ Leisure Item: _____ \$ _____ Leisure Item: _____ \$ _____ Groceries (at least \$250) \$ _____ Clothing \$ _____ Entertainment \$ _____ Other Expenses \$ _____	\$ _____
G) Total Monthly Expenses (D + E + F)	\$ _____

Percentage Calculator (optional, from previous lesson)

Knowing how to calculate percentages is a handy skill to have. Eating in a fancy restaurant? You'll need percentages to figure out the tip. Shopping at a big sale? Percentages will help you figure out what you can afford to buy.

In this lesson, you'll need percentages to figure out your take-home pay and your household and car expenses. Use the table below to help.

For example, if you make \$2000 a month, 10% of your income is \$200. 30% of your income is \$600, as shown in the shaded boxes below.

Monthly income, house payment, or car payment	10% (Drop the last number.)	30% (Add 10% 3 times, or multiply 10% by 3.)
100	10	30
200	20	60
300	30	90
400	40	120
500	50	150
600	60	180
700	70	210
800	80	240
900	90	270
1000	100	300
1100	110	330
1200	120	360
1300	130	390
1400	140	420
1500	150	450
1600	160	480
1700	170	510
1800	180	540
1900	190	570
2000	200	600
2100	210	630
2200	220	660
2300	230	690
2400	240	720
2500	250	750
2600	260	780
2700	270	810
2800	280	840

Monthly income, house payment, or car payment	10% (Drop the last number.)	30% (Add 10% 3 times, or multiply 10% by 3.)
2900	290	870
3000	300	900
3100	310	930
3200	320	960
3300	330	990
3400	340	1020
3500	350	1050
3600	360	1080
3700	370	1110
3800	380	1140
3900	390	1170
4000	400	1200
4100	410	1230
4200	420	1260
4300	430	1290
4400	440	1320
4500	450	1350
4600	460	1380
4700	470	1410
4800	480	1440
4900	490	1470
5000	500	1500
5100	510	1530
5200	520	1560
5300	530	1590
5400	540	1620
5500	550	1650
5600	560	1680

Real-Life Budget II

The **BIG** Idea

- How can creating a budget help me manage my money? What kind of lifestyle can I afford with additional post-secondary education?

AGENDA

Approx. 45 minutes

- I. Warm-up: Movin' on Up (5 minutes)
- II. Create a New Budget (20 minutes)
- III. What Are the Chances? (15 minutes)
- IV. Wrap-up (5 minutes)

MATERIALS

PORTFOLIO PAGES:

- Portfolio pages 33-35, Grade 9 (9-12) Skills Checklist (Money Matters skills only)

STUDENT HANDBOOK PAGES:

- Student Handbook page 108, Monthly Budget Worksheet 2
- Student Handbook page 109, Expenses Worksheet 2
- Student Handbook page 107, Percentage Calculator (optional)

FACILITATOR PAGES:

- Facilitator Resource 1, Monthly Salary Cards (your state only, different from last week)
- Facilitator Resource 2, You Choose: Housing (one per student, your state only, from last week)
- Facilitator Resource 3, You Choose: Transportation, Leisure Items (one per student, from last week)
- Facilitator Resource 4, Chance Cards

- Calculators (one per student)

OBJECTIVES

During this lesson, the student(s) will:

- Determine expenses, including those based on choices for housing, transportation, and leisure items.
- Develop, analyze, and revise a budget based on actual incomes and expenses.
- Modify their budgets to handle unexpected expenses and income.

OVERVIEW

In this lesson, students will build on the previous lesson in which they learned how to make and maintain a budget in the real world. They will be given an actual monthly salary for a career that could be attained with a degree from two-year college, four-year college, or graduate school. They'll determine their net incomes, as well as expenses based on choices they make about housing, transportation, and leisure items. Then they'll create a budget to see if their income covers their expenses, and revise their budgets as necessary. Finally, they'll be given "chance" cards — unexpected expenses and income — and modify their budgets.

PREPARATION

- List the **BIG IDEA** and the day's activities on the board.
- Write the day's vocabulary words and definitions on the board.
- Make transparencies of the following pages:
 - **Student Handbook page 108, Monthly Budget Worksheet 2**
 - **Student Handbook page 109, Expenses Worksheet 2**
- Print out **Facilitator Resource 1, Monthly Salary Cards** for your state and cut out the individual cards. Students may choose a card that requires a two-year, four-year, or grad school education; sorting cards will be easiest if each education level is printed on a different color paper.

Note: Facilitator Resource 1 provides career descriptions and salaries based on information from www.IHaveAPlanIowa.gov and the United State Department of Labor. You may wish to consider reviewing and updating this information.

- Have on hand packets containing housing, transportation, and leisure items, one per student, created last week.
- Print out **Facilitator Resource 4, Chance Cards** and cut out the individual cards. Print enough copies so that there's one card per student. (Note this will require 2 or 3 copies of this page.)

BACKGROUND INFORMATION

Most students have some experience with income, whether it's an after-school job or an allowance, as well as spending, such as buying music or clothes. But as they begin to think about life after high school, it's important that they learn how incomes and expenses compare. They should begin to recognize some of the expenses they'll face on their own, as well as how far a monthly salary can go to cover these expenses. By using sample monthly salaries and living expenses, students will begin to appreciate the challenge of making an income cover their expenses. They'll also begin to understand how budgets can help them plan and set realistic goals.

By comparing this week's budget with the one created based on a career requiring only a high school degree, students should be able to see the financial benefits of a post-secondary education.

VOCABULARY

Budget: a plan that helps people track spending so they can get the things they need and want without running out of money

Deductions: money taken out of your income for taxes

Expense: what you spend money on

Gross income: the money you earn *before* taxes are taken out

Income: the money you have coming in

Net income: your "take home" pay or paycheck amount; the money you earn *after* taxes are taken out

IMPLEMENTATION OPTIONS

If students finish before the end of the class period, have them create a new budget based on the average-level salary on their card.

If time permits, have students trade Chance Cards, and see how the same circumstance affects people with different budgets and incomes.

If your students find the Housing Costs, Transportation Costs, Leisure Time, and Grocery calculations challenging, you can skip clothing, entertainment, and other expenses or suggest a reasonable amount for each.

Part III may be adapted for lower-level learners by having them brainstorm a list of unexpected expenses, then work through one or more Chance Cards together.

Students can also learn more about the careers featured in this lesson by exploring IHaveAPlanlowa.gov website at www.IHaveAPlanlowa.gov. The salary cards in both Real-Life Budgeting lessons were adapted from information from IHaveAPlanlowa.gov.

See previous lesson, **Real-Life Budgeting I**, for tips on assisting your students with calculations.

ACTIVITY STEPS

I. WARM-UP: Movin' On Up (5 minutes)

1. **SAY SOMETHING LIKE:** Welcome back to life after high school! In the last lesson, you started thinking about what it takes to make money – and pay those bills – in the real world. You may have found that it's not always easy to make your **income**, the money you made at your job, cover your **expenses**, the things you spent money on.
2. As an adult, what do you do if you want something that exceeds your income, like your own house – or a bigger house? What are some ways you could adjust your budget to pay for it? [Students may talk about saving money, or spending less on other expenses. Ask them to think of different ways they can increase their income, such as getting a second job, promotion, or a better job.] How would someone find a better job? (*Go back to school and get a higher degree; get more training.*)
3. **SAY SOMETHING LIKE:** I'm happy to report that you've all gone on to get some training after high school. It's up to you how many more years you've spent in school – two, four, or even more. First, decide whether you want to go to a two-year college, four-year college, or even go on to graduate school. [NOTE: If necessary, tell your students what graduate school is.] Then I'll hand you a card for a job you could get based on that degree. Who would like to get a degree from a two-year college? [Have students pick a two-year degree card from a hat.] Who chooses a four-year college? [Have students randomly select a four-year degree card.] And who is willing to spend even more years – and money – in school to receive a graduate degree? [Have students randomly select a graduate school card.]
4. **SAY SOMETHING LIKE:** Every card includes the name of a career, a description of the job, and a monthly salary. For now, use the entry-level salary – this is an estimate of what you'd make right out of school. If your card only lists the average salary, use that instead of the entry-salary. Remember, you may not earn the average level salary right away! Take a minute to read about your new job.
5. **SAY SOMETHING LIKE:** You'll probably find that the monthly salary on your card is more than what you made in the last lesson, based on jobs you get right out of high school. This probably isn't surprising. After all, you worked hard in school – and may have spent a lot of money on tuition — to earn your degree. Most importantly, you

received education and training to help prepare you for more challenging jobs.

6. **SAY SOMETHING LIKE:** As you did in the last lesson, you're going to create a **budget**, or a plan for spending money, based on your new job. First, you'll figure out your **income** – the money coming in. Then you'll determine your **expenses** – the things you spend your money on. Remember, the challenge is to make sure your income can cover your expenses. And you might just want to put a little aside in savings – because in this lesson, like in real life, you never know when you might get hit with something unexpected!

II. Create a New Budget (20 minutes)

1. [Project a transparency of **Student Handbook page 108, Monthly Budget Worksheet 2**, for the class to see. Instruct students to turn to this page in their handbook.]
2. **SAY SOMETHING LIKE:** Now it's time to create a budget based on your new job – and find out how far that salary will go! First, figure out just how big your paycheck will be. Remember, the entry-level salary on your card is your **gross income** – or the money you earn before taxes are taken out. You're going to estimate that about 30% will be deducted, or taken out, for taxes. [Remind students how to calculate their deductions, by multiplying your gross income by 30% or 0.3. Let them use their calculators to figure out their deductions.]
3. **SAY SOMETHING LIKE:** So how much is your **net income** – or the money in your paycheck? [Remind students how to subtract their deductions from the gross income to determine the net income.]

[Have students turn to their packet of housing, transportation, and leisure item choices.]

SAY SOMETHING LIKE: Now that your income is higher, do you think you'll be able to afford all the great things you wanted last week? Let's find out. Like last time, you get to choose one option for housing, one for transportation, and three "leisure items."

A couple of reminders:

- You once again have the option of living at home with your family or sharing your space with roommates and dividing the rent between you.
- Payments for big leisure items have again been divided up so you can pay over a period of months or years. (Remember that in real life, it's very expensive to do this because of the interest credit card companies charge. In fact, you end up paying several times the cost of your original purchase when you buy this way.)

- [If students ask why someone would rent when it's just as cheap to own, explain that buying your own home usually requires a big payment before you move in – often 10% of the purchase price or more.]
5. [Project a transparency of **Student Handbook page 109, Expenses Worksheet 2**, and refer students to this page in their handbooks.]
 6. [Have students fill in their housing, transportation, and leisure item choices in their worksheet. Remind them how to calculate related items, such as household bills and vehicle maintenance.]
 7. [Next, have students determine their “Other Costs.” Remind students that they must add at least \$250 for groceries, with an extra \$5 for fast-food meals and \$20 for meals at nicer restaurants. They must also include something for Clothing, Entertainment, and Other Expenses. You could have students work in pairs to complete the rest of their worksheet.]
 8. [Have students use their calculators to determine their Total Monthly Expenses.]

SAY SOMETHING LIKE: Now for the moment of truth — does your new income cover these expenses? Turn back to your Monthly Budget Worksheet and add your Total Monthly Expenses.

[Project a transparency of **Student Handbook page 108, Monthly Budget Worksheet 2**, for the class to see, and refer students to this page in their handbooks.]

9. [Have students subtract their monthly expenses from their net monthly incomes to determine their preliminary monthly balance. If they have a *positive* monthly balance, they have money left to save or spend. If they have a *negative* balance, then their income doesn't cover their expenses. Have them go back and make different choices for their housing, transportation, leisure items, or other expenses. They should do this until their monthly expenses are the same or less than their monthly incomes.]
10. **SAY SOMETHING LIKE:** How did you do? How did you adjust your budget to cover your expenses? How much money did you have left over? Why is it important to have savings each month?

III. What are the Chances? (15 minutes)

1. **SAY SOMETHING LIKE:** Have you ever had a big expense one month that you hadn't prepared for? What are some examples of unexpected expenses you might encounter as an adult that are not included in your monthly expense sheet? What if you were invited to join friends at the beach? Or you had to pay hospital bills?

Have you ever received some extra money you weren't expecting? What did you do with it?

2. **SAY SOMETHING LIKE:** Now it's time to see how the unexpected can alter your budget. Each one of you will get a "Chance Card," which includes an unexpected expense or income. [Have students choose cards from a hat.]

[Project a transparency of **Student Handbook page 108, Monthly Budget Worksheet 2**, and refer students to this page in their handbooks.]

3. **SAY SOMETHING LIKE:** If you have extra income, add it to your monthly budget and determine your *final* monthly balance. If you have a new expense, subtract it. If your final balance is negative, you'll need to go back and adjust your budget. Note that in real life, you can't return your car or house just because something unexpected comes up. That's why it's wise to set aside money each month – so you're prepared for emergencies (like car repairs) or opportunities (like a chance to go on a weekend trip).
4. **SAY SOMETHING LIKE:** If your chance card had extra income, what did you do with the money? Did you spend it or save it? If your chance card had an extra expense, could you cover the cost? What if you didn't have the savings, or couldn't cut down your expenses, to cover unexpected expenses such as these? (*You might have to put the expense on a credit card. These can have high interest rates, which can end up costing you more money in the end.*)

IV. WRAP-UP (5 minutes)

1. **SAY SOMETHING LIKE:** Did your monthly salary go as far as you thought it would in the beginning of the lesson? How did this activity change the way you think about income, expenses, and savings?
2. What are some ways that your budget in your early 20s might change as you get older? How could your income change? (*You might get a promotion, change careers, or get a second income.*) How could your expenses change? (*You might buy a house, pay*

for appliances and other items you might not have to pay for in a rental. You might have children, who increase expenses for housing, food, clothing – as well as education and college. You may have to pay for medical bills if you or a family member becomes seriously ill.) [Talk about how many families have two incomes. Sometimes this is necessary to cover expenses.]

3. [Conclude the lesson by talking about the importance of creating budgets, even if you don't always stay within your budget. Prompt discussion with some or all of the following questions:
- Why is a budget so important?
 - What are some dangers of not having a budget?
 - How can priorities and values help you create a budget?
 - Why does it help to set goals before creating a budget?]

SKILLS CHECKLIST

Direct students' attention to **Portfolio pages 33-35, Grade 9 (9-12) Skills Checklist.**

Have students complete the skills checklist questions for Money Matters skills.

Money Matters

I can...

Describe the expenses to consider when making a budget.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Figure out housing and transportation choices appropriate for a specific income.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well

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<p style="text-align: center;">Social Service Technician (Human Service Worker)</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Assists Social Workers and Caseworkers to organize and implement programs that aid families and individuals to prevent or resolve problems related to basic needs, substance abuse, and human relationships. Assists families and individuals in obtaining social and community services.</p> <p style="text-align: right;">Monthly salary (Average): \$2330 IA</p>	<p style="text-align: center;">Administrative Assistant/ Executive Secretary</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Assists executives by coordinating and directing basic office services, such as assigning staff, keeping records, and budgeting. Opens, sorts and distributes incoming correspondence, including faxes and e-mail. Reads and analyzes incoming memos and alerts the boss to issues that need attention.</p> <p style="text-align: right;">Monthly salary (average level): \$2919 IA</p>
<p style="text-align: center;">Aircraft Mechanic</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Inspects, tests, repairs, maintains, and services aircraft. Repairs electronic systems such as computerized controls. Tests engine and system operations, and listens to engine sounds to detect and diagnose malfunctions. Examines and inspects aircraft components for cracks, breaks, or leaks.</p> <p style="text-align: right;">Monthly salary (average level): \$3638 IA</p>	<p style="text-align: center;">Building Inspector</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Building inspectors inspect the general safety and structural quality of buildings. They ensure that all the wiring, plumbing and sanitation is up to code. They make sure all sprinklers, fire alarms, smoke detectors and other fire alert devices are working properly. They also make sure there are fire doors and exits.</p> <p style="text-align: right;">Monthly salary (National Average): \$4347 IA</p>
<p style="text-align: center;">Carpenter</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Builds, installs, erects, repairs structures or fixtures made of wood, plywood, and wallboard. Uses carpenter's hand tools and power tools. Studies blueprints and building plans to determine the materials needed and the dimensions of a structure to be built. Estimates the amount and kind of lumber or other materials required, and selects and orders materials.</p> <p style="text-align: right;">Monthly salary (average level): \$2912 IA</p>	<p style="text-align: center;">Chef</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Directs and participates in the preparation, seasoning, and cooking of soups, meats, fish, vegetables, salads, desserts, or other foods. May plan and price menu items, order supplies, and keep records and accounts. Supervises and coordinates the activities of cooks and kitchen workers engaged in food preparation.</p> <p style="text-align: right;">Monthly salary (average level): \$2950 IA</p>

<p style="text-align: center;">Court Clerk</p> <p>2-year College Degree or Tech Training</p> <p>Performs clerical duties in a court of law. Secures, processes, and records information for the court. Confers with court officials and litigants regarding court proceedings. Prepares the docket or calendar of cases to be called. Examines and reviews legal documents submitted to the court to make sure they follow to law and court procedures.</p> <p style="text-align: right;">Monthly salary (average level): \$2646 IA</p>	<p style="text-align: center;">Dental Assistant</p> <p>2-year College Degree or Tech Training</p> <p>Assists dentists by performing support duties for the treatment of patients during dental procedures. Duties range from aiding and educating patients to preparing and sterilizing dental instruments and performing administrative work.</p> <p style="text-align: right;">Monthly salary (average level): \$2675 IA</p>
<p style="text-align: center;">Electrician</p> <p>2-year College Degree or Tech Training</p> <p>Installs, maintains, and repairs electrical wiring, equipment, and fixtures. Possesses electrician's license or identification card and follows local electrical codes to meet government regulations.</p> <p style="text-align: right;">Monthly salary (average level): \$3722 IA</p>	<p style="text-align: center;">Graphic Designer</p> <p>2-year College Degree or Tech Training</p> <p>Designs art and copy layouts for use on packages and in magazines, newspapers, and television. Creates graphics for television and computer-generated media. Uses computer software to design new images or to modify existing ones.</p> <p style="text-align: right;">Monthly salary (average level): \$2981 IA</p>
<p style="text-align: center;">Hotel/Motel Manager</p> <p>2-year College Degree or Tech Training</p> <p>Plans, directs, and coordinates activities of an establishment or department that provides lodging and other accommodations. Answers questions about hotel policies and services, and resolves occupants' complaints. Inspects guest rooms, public areas, and grounds for cleanliness and appearance.</p> <p style="text-align: right;">Monthly salary (average level): \$2939 IA</p>	<p style="text-align: center;">Massage Therapist</p> <p>2-year College Degree or Tech Training</p> <p>Uses massage to improve clients' health or well-being. Assesses clients' soft tissue condition, joint quality and function, muscle strength and range of motion. Confers with clients about their medical histories and any problems with stress or pain in order to determine whether massage would be helpful.</p> <p style="text-align: right;">Monthly salary (average level): \$2731 IA</p>

<p style="text-align: center;">Licensed Practical Nurse</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Cares for ill, injured, and handicapped persons in private homes, hospitals, clinics, and similar health care facilities. Charts and reports changes in patients' conditions, such as adverse reactions to medication or treatment, and takes any necessary action.</p> <p style="text-align: right;">Monthly salary (average level): \$3924 IA</p>	<p style="text-align: center;">Dispensing Optician</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Prepares, inspects, fits, and adjusts lenses and frames for clients according to written optical prescriptions or specifications. May dispense eyeglasses and/or contact lenses. Prepares instructions for an optical laboratory for grinding lenses and making eyeglasses. Recommends specific lenses, lens coatings and frames to suit client needs.</p> <p style="text-align: right;">Monthly salary (average level): \$4081 IA</p>
<p style="text-align: center;">Preschool Teacher</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Instructs children (normally up to 5 years of age) in a preschool, day care, or other child development center. Conducts activities designed to develop social, physical, and intellectual skills needed for primary school. Confers with parents to explain preschool programs and to discuss a child's progress.</p> <p style="text-align: right;">Monthly salary (average level): \$1782 IA</p>	<p style="text-align: center;">Real Estate Sales Agent</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Rents, buys, and sells property to clients. Studies property listings, interviews prospective clients, accompanies clients to property sites, discusses conditions of sale, and draws up real estate contracts.</p> <p style="text-align: right;">Monthly salary (average level): \$3403 IA</p>
<p style="text-align: center;">Non-Technical Sales Representative</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Sells goods or services for wholesalers or manufacturers to businesses or groups of individuals. Gets orders from established clients or secures new customers. Work requires a substantial knowledge of items sold.</p> <p style="text-align: right;">Monthly salary (average level): \$4165 IA</p>	<p style="text-align: center;">Website Designer</p> <p style="text-align: center;">2-year College Degree or Tech Training</p> <p>Focuses on the overall design and appearance of the website. This requires a solid foundation in graphic design. May also focus on the development and programming side. This means writing the actual code to make the site function properly.</p> <p style="text-align: right;">Monthly salary (National Average): \$2596 IA</p>

Welder/Cutter

2-year College Degree or Tech Training

Uses hand welding equipment to weld together or repair metal components and parts. Uses flame-cutting or laser equipment to cut and trim metal objects to specified dimensions, according to layouts, work orders, or blueprints.

Monthly salary (Average level): \$2596

IA

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<p style="text-align: center;">Human Resources Manager 4-year College Degree</p> <p>Manages, plans, directs, and coordinates human resource activities of an organization. Administers pay and benefits programs. Makes sure personnel are matched to the appropriate position. Informs employees about work policies, benefits and opportunities for promotion.</p> <p style="text-align: right;">Monthly salary (entry level): \$5075 Monthly salary (average level): \$8950</p> <p style="text-align: right;">IA</p>	<p style="text-align: center;">Recreation Worker 4-year College Degree</p> <p>Conducts recreation activities with groups in recreational facility or in public, private, or volunteer agency. Organizes activities such as arts and crafts, sports, games, music, social recreation, and hobbies, taking into account the needs and interests of individual members.</p> <p style="text-align: right;">Monthly salary (entry level): \$1324 Monthly salary (average level): \$1801</p> <p style="text-align: right;">IA</p>
<p style="text-align: center;">Accountant 4-year College Degree</p> <p>Analyzes financial information and prepares reports describing assets, liabilities, profit and loss, or other financial activities within an organization. Prepares and examines accounting records and financial statements. Computes taxes owed and prepares tax returns according to regulations.</p> <p style="text-align: right;">Monthly salary (average level):\$4,687</p> <p style="text-align: right;">IA</p>	<p style="text-align: center;">Chemical Engineer 4-year College Degree</p> <p>Designs chemical plant equipment and devises processes for manufacturing chemicals and chemical products. Uses chemistry, physics, and engineering. Uses computers to record and analyze data. May use computer-aided design systems to produce and analyze designs.</p> <p style="text-align: right;">Monthly salary (average level):\$6,143</p> <p style="text-align: right;">IA</p>
<p style="text-align: center;">Computer Programmer 4-year College Degree</p> <p>Develops and writes computer programs to store, locate, and retrieve information by converting raw data into coded computer language. Consults with management, engineering, and technical staff to clarify program intent, identify problems, and suggest changes.</p> <p style="text-align: right;">Monthly salary (average level):\$4,797</p> <p style="text-align: right;">IA</p>	<p style="text-align: center;">Interpreter/Translator 4-year College Degree</p> <p>Translates and interprets written or spoken communications from one language to another or from spoken to manual (sign) language used by the hearing-impaired. Reads written material such as legal documents, scientific works, and news reports, and rewrites the material into a specified language.</p> <p style="text-align: right;">Monthly salary (average level):\$2,494</p> <p style="text-align: right;">IA</p>

<p>Investment Banker 4-year College Degree</p> <p>Work in investment banks, corporations, brokerages or small investment banking firms. Counsels clients on financial issues such as arranging capital, managing assets, trading securities and issuing stock.</p> <p>Monthly salary (National average):\$7848 IA</p>	<p>Landscape Architect 4-year College Degree</p> <p>Plans and designs landscaping (trees and plants) to create useful and attractive spaces. Often uses computer-aided design (CAD) systems to help in preparing designs. For large scale site planning, may use a computer mapping system.</p> <p>Monthly salary (average level):\$3,650 IA</p>
<p>Marine Biologist 4-year College Degree</p> <p>Researches aquatic life. They investigate salinity, temperature, acidity, light, oxygen content and other physical conditions of water to determine their relationship to aquatic life -- even plankton, worms, clams, mussels and snails.</p> <p>Monthly salary (National average): \$5,625 IA</p>	<p>Social Worker 4-year College Degree</p> <p>Assesses, counsels, and aids individuals and families with problems relating to finances, employment, food, clothing, child care, housing, or other human needs and conditions. Counsels individuals and family members regarding public resources, financial assistance, vocational training, child care, and medical care.</p> <p>Monthly salary (average level): \$3,097 IA</p>
<p>Middle School Teacher 4-year College Degree</p> <p>Teaches students in public or private schools in one or more subjects at the middle, intermediate or junior high level. Instructs through lectures, discussions and demonstrations in one or more subjects such as English, mathematics or social studies.</p> <p>Monthly salary (average level):\$3,327 IA</p>	<p>Newscaster 4-year College Degree</p> <p>Analyzes, prepares, and reports on news items for radio or television broadcasts. Gathers information and develops perspectives about news subjects through research, interviews and observations. Presents news stories and introduces in-depth videotaped segments.</p> <p>Monthly salary (average level): \$2,764 IA</p>

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<p style="text-align: center;">Advertising Manager Graduate degree</p> <p>Plans and directs advertising policies and programs to create or promote interest in a product or service. Directs activities of workers engaged in developing and producing advertisements. Monitors and analyzes sales promotion results to determine cost effectiveness of promotion campaigns.</p> <p style="text-align: right;">Monthly salary (average level):\$5255 IA</p>	<p style="text-align: center;">Anesthesiologist Graduate degree</p> <p>Administers anesthetics during surgery or other medical procedures. Examines patients, obtains medical history and uses diagnostic tests to determine the risk of bad reactions to anesthesia during medical procedures.</p> <p style="text-align: right;">Monthly salary (National average):\$16,065 IA</p>
<p style="text-align: center;">Architect Graduate degree</p> <p>Plans and designs buildings for residential, commercial, and industrial property owners. Often uses computer-aided design and drafting (CADD) systems. Consults with clients to determine the functional and spatial requirements of structures. Represents clients in obtaining bids and awarding construction contracts.</p> <p style="text-align: right;">Monthly salary (average level):\$5329 IA</p>	<p style="text-align: center;">Lawyer Graduate degree</p> <p>Conducts criminal and civil lawsuits, prepares legal documents, advises clients on legal rights, and practices other phases of law. May represent clients in court or before administrative agencies of government. May specialize in a single area of law, such as constitutional law, corporate law, or criminal law.</p> <p style="text-align: right;">Monthly salary (average level):\$8096 IA</p>
<p style="text-align: center;">Family/General Practitioner Graduate degree</p> <p>Diagnoses illnesses, and prescribes and administers treatment for people suffering from injury or disease. Prescribes or administers treatment, therapy, medication, vaccination, and other medical care to treat and prevent illness, disease, and injury.</p> <p style="text-align: right;">Monthly salary (average level):\$13,555 IA</p>	<p style="text-align: center;">Geoscientist Graduate degree</p> <p>Studies the composition, structure, and history of the earth's crust. Examines rocks, minerals, and fossil remains to identify and determine the sequence of processes affecting the development of the earth. Applies knowledge of chemistry, physics, biology, and mathematics to explain these phenomena. Uses computers to record and analyze data.</p> <p style="text-align: right;">Monthly salary (National average):\$6491 IA</p>

<p style="text-align: center;">Judge/Magistrate Graduate degree</p> <p>Arbitrates, advises, and administers justice in a court of law. Sentences defendants in criminal cases according to statutes of State or Federal government. May determine liability of defendant in civil cases.</p> <p style="text-align: right;">Monthly salary (average level):\$6,344 IA</p>	<p style="text-align: center;">Meteorologist Graduate degree</p> <p>Investigates and interprets meteorological data to prepare weather reports and forecasts. Uses information from surface and air stations, weather balloons, weather satellites, weather radar, Doppler radar, and remote sensors and observers in many parts of the world. Uses computer models of the world's atmosphere to make long-term, short-term, and local-area forecasts.</p> <p style="text-align: right;">Monthly salary (average level):\$5887 IA</p>
<p style="text-align: center;">Principal Graduate degree</p> <p>Plans, develops, and administers programs to provide educational opportunities for students. Monitors programs for effectiveness and compliance with federal, state, and local regulations.</p> <p style="text-align: right;">Monthly salary (average level):\$6,117 IA</p>	<p style="text-align: center;">School Counselor Graduate degree</p> <p>Counsels individuals, and provides educational or vocational guidance and assessment services. May operate career information centers and career education programs. Reviews transcripts to make sure that students meet graduation or college entrance requirements.</p> <p style="text-align: right;">Monthly salary (average level):\$3,547 IA</p>
<p style="text-align: center;">Veterinarian Graduate degree</p> <p>Examines, diagnoses, and treats medical problems in animals. May work with pets and/or livestock, or with laboratory animals used for research. Advises animal owners regarding feeding, grooming, breeding, and general care to promote animal health.</p> <p style="text-align: right;">Monthly salary (average level):\$6,000 IA</p>	

Chance Cards

<p>Ouch! You chip a tooth! You have health coverage, but no dental insurance.</p> <p>Subtract \$150</p>	<p>Happy holidays! You receive an end-of-year bonus at work for all your hard work.</p> <p>Add \$1,000</p>
<p>Did your paycheck just shrink? Your boss is no longer paying for health insurance — now it's coming out of your paycheck each month.</p> <p>Subtract \$150 (individual)</p>	<p>Bummer! Your car breaks down on the way to work. You have to pay for towing and a new transmission.</p> <p>Subtract \$800</p>
<p>Happy birthday to me! Grandma slipped a little something into this year's card.</p> <p>Add \$25</p>	<p>Remember college? Well, they remember you! Time to start paying those college loans each month.</p> <p>Subtract \$150</p>
<p>Anyone up for a swim? A sudden freeze bursts a pipe — and water fills your house. This plumbing emergency isn't cheap!</p> <p>Subtract \$250</p>	<p>Are those funny colors on my computer normal? Your hard drive is fried —time for a new computer.</p> <p>Subtract \$1,000</p>
<p>People aren't the only ones who need doctors. You have to take your sweet pooch to the vet.</p> <p>Subtract \$175</p>	<p>A little extra time, a little extra cash! You take on some part-time weekend work.</p> <p>Add \$400</p>
<p>Money from the government? Turns out you get a tax refund this year!</p> <p>Add \$600</p>	<p>Attention, holiday shoppers! All those presents for friends and family are starting to add up.</p> <p>Subtract \$200</p>

Monthly Budget Worksheet 2

Career _____ **Education Level** _____

Use this worksheet to subtract taxes and expenses from your gross monthly income.

Monthly Income	
A) Gross Monthly Income	\$ _____
B) Deductions (30% of A) (Multiply A by .3)	\$ _____
C) Net Monthly Income ($A - B = C$)	\$ _____
G) Total Monthly Expenses (from Expenses Worksheet on page __)	\$ _____
H) Preliminary Monthly Balance ($C - G = H$)	\$ _____
I) Chance	\$ _____
K) Final Monthly Balance ($H + / - \text{Chance} = K$)	\$ _____

Expenses Worksheet 2

Use this worksheet to add up your expenses for one month.

Expenses: Details	Subtotal
D) Housing Costs Monthly rent or mortgage \$ _____ Household bills + \$ _____ (30% of rent or mortgage) (Multiply rent/mortgage by .3)	\$ _____
E) Transportation Costs Monthly payment or \$ _____ other transportation costs Vehicle maintenance + \$ _____ (30% of monthly payment) (Multiply car payment by .3)	\$ _____
F) Other Costs Leisure Item: _____ \$ _____ Leisure Item: _____ \$ _____ Leisure Item: _____ \$ _____ Groceries (at least \$250) \$ _____ Clothing \$ _____ Entertainment \$ _____ Other Expenses \$ _____	\$ _____
G) Total Monthly Expenses (D + E + F)	\$ _____