

family focused finances

Lori McMonigal, lmcmmonigal@tiu11.org
Dyan Brandt, dbrandt@tiu11.org
Tuscarora Intermediate Unit 11
Community Education Services
6395 SR 103N
Lewistown, PA 17044
(717) 248-4942

acknowledgements

The Tuscarora Intermediate Unit was awarded a COABE Incentive Grant to develop Family Focused Finances in 2006-2007. The goal of the project was to design a curriculum to address the financial challenges facing families living in, or on the brink of, poverty. The intent of the product is to increase the participants' financial literacy in an effort to impact their future economic success. The curriculum that follows is the product of the COABE Incentive grant. The Tuscarora Intermediate Unit gratefully acknowledges COABE's support of this initiative.

Electronic copies of this curriculum can be obtained by contacting TIU staff at:

Lori McMonigal

lmcmmonigal@tiu11.org

Dyan Brandt

dbrandt@tiu11.org

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introduction

Family Focused Finances was developed with financial support from the Coalition on Adult Basic Education as an incentive grant. The intended audience for the curriculum is adults participating in a family literacy program. However, the material is relevant to any adult. The goal of the curriculum is to increase the participants' awareness of financial topics.

The curriculum is divided into six units developed around the Equipped for the Future (<http://eff.cls.utk.edu/PDF/EFF-Framework-bw.pdf>) and Workplace Foundation Skills (http://www.pawerc.org/foundationskills/lib/foundationskills/FS_Wheel.pdf) curriculum frameworks. Each unit consists of the following: Key Vocabulary; Journal Topic; Activities; Self Reflection; and Interactive Literacy Activities for parents and children. A knowledge based pre test and post test is also provided to determine success. The curriculum is organized such that each unit contains an outline, lesson plans, and handouts.

helpful handouts

Key Vocabulary Lists

Daily Journal Form

Reflection Journal

Vocabulary
Unit 1
Identifying Priorities

Needs

Wants

Values

Gratification

Delayed

Delayed Gratification

Vocabulary
Unit 2
Managing Your Resources

Budget

Income

Gross Income

Net Income

Taxes

Fixed Expenses

Variable Expenses

Vocabulary
Unit 3
Establishing a Bank Account

Checking account

Balance

Deposit

Withdrawal

Transaction

Overdraft

Vocabulary
Unit 4
Being Clever with Credit

Finance charges

Interest

Revolving Credit

Balance

Minimum Monthly Payment

Credit Line

Late fees

Default

Credit Report/ Credit Rating

Vocabulary
Unit 5
Planning Ahead

Allowance

Unexpected

Deductible

Vocabulary
Unit 6
Putting It All Together

Problem

Solution

Consequence

Daily Journal Form

Topic: _____

My Response

A Penny for Your Thoughts!
Reflection Journal

A money habit I currently have that I am proud of is:

Something I learned today that I might consider trying:

unit 1
identifying
priorities

unit 1

identifying

priorities

Key Vocabulary:

- **Needs:** of necessity (Necessity meaning “the condition of being essential or indispensable”)
- **Wants:** that which is desired; a thing of which the loss is felt; what is not possessed, and is necessary for use or pleasure
- **Values:** beliefs of a person or social group in which they have an emotional investment (either for or against something)
- **Gratification:** that which affords pleasure, satisfaction, enjoyment; a reward
- **Delayed:** caused to be slower or later
- **Delayed Gratification:** a delay in that which affords pleasure, satisfaction, etc.

Goals/ Outcomes:

- Differentiate between needs and wants.
- Describe how values can influence decisions.
- Examine how values-based decisions can impact financial goals.

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Demonstrates Self Management Strategies; Understands Finances; Makes Decisions

Workplace Foundation Skills: Solve Problems and Makes Decisions; Reflects and Evaluates; Observe Critically

Journal Topic:

You buy a lottery ticket and win \$100! Will you spend it or will you save it? What are you going to do and why?

Materials Needed:

Family Focused Finances Pre Survey
Key Vocabulary Worksheet
Journal Form
Handout 1: Values and Spending
Spending Tracker
Reflection Journal

Activities:

1. Welcome and Introductions: Welcome students to the six-session workshop on “Family Focused Finances.” Over the next six sessions, we will be discussing financial topics such as identifying priorities, designing a budget, using bank accounts, selecting credit cards, and planning ahead for the future. The final session will allow for continued discussion and reflecting on possible applications. Take time to introduce those participating in the session.
2. Complete Family Focused Finances Pre Survey: This survey will serve as a baseline for the course and will be helpful to the instructors to see if knowledge is gained because of the information shared.
3. Key Vocabulary: Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.
4. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.
5. Values and Spending: Share Handout 1 with students and give them a few moments to complete. Follow the directions on how to tally their answers.
6. Debriefing: Discuss reactions to the activity. Was anything surprising?
7. Homework Assignment: Introduce the sheet titled, “Spending Tracker.” Ask students to complete the form between this session and the next, and bring the completed sheet with them to the next session to review.
8. Reflection: Participants reflect on what they learned in the workshop using the Reflection Journal.

Interactive Literacy Activities:

Related Children’s Literature:

Bunny Money by Rosemary Wells, Rachel Axler (Editor)

Max and Ruby take a trip to purchase the perfect birthday gift for their grandma – but they run into some unexpected expenses along the way!

Activity:

Potatoes and Gravy Game – Parents can talk to older pre-school and school age children about the difference between needs and wants. “Potatoes” represent food, something we *need* to survive. “Gravy,” on the other hand, is just an added something that makes potatoes taste better. We may *want* gravy, but we don’t necessarily *need* it. This game can be played by simply talking together, especially when out shopping, or by looking through magazines or books and cutting out different pictures. Younger children may just enjoy looking for pictures and naming the objects. What a great way to introduce new vocabulary! Another great way to illustrate this would be to serve mashed potatoes and gravy with families.

Resources:

Definitions found at www.webster-dictionary.org

Values and Spending found at NEFE:

http://www.nefe.org/hspportal/files/23050_All%20of%20Unit%20Three.pdf

The “Potatoes and Gravy” idea was found at Practical Money Skills for Life:

http://www.practicalmoneyskills.com/english/at_home/parents/lesson_index.php?id=77

Lesson Plan for Unit 1
Identifying Priorities

Topic	Plan	Materials
Pre Survey	1. Independently, participants complete the pre survey.	Pre Survey
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: You buy a lottery ticket and win \$100! Will you spend it or will you save it? What are you going to do and why?		Journal Form
Values and Spending Habits	1. Complete Handout 1. 2. Debrief- discuss results. What was surprising? Did you learn anything new about yourself?	Handout 1:Values and Spending Assessment
Homework Assignment	1. Introduce the Spending Tracker. 2. Explain use. Ask participants to try the tracker for 1 week.	Spending Tracker
Debrief	Questions and Discussion	
Reflection		Reflection Journal

Family Focused Finances- Pre Survey

1. I am able to create and track a family budget.

- 1 I am not able to do this.
- 2 I could do this with some help.
- 3 I am able to do this on my own.

2. I can explain the difference between *gross income* and *net income*.

- 1 I am not sure of this.
- 2 I think I know this.
- 3 I am sure of this.

3. I can explain at least three risks and three benefits of credit cards.

- 1 I am not able to do this.
- 2 I can explain at least one risk and one benefit of credit cards.
- 3 I can explain two or more risks and two or more benefits of credit cards.

4. I can define: credit limit, interest, and balance in terms of credit cards.

- 1 I am not able to define these terms.
- 2 I can define at least one of these terms.
- 3 I can define two or more of these terms.

5. I can explain at least 3 benefits of having a bank account.

- 1 I am not able to do this.
- 2 I can explain at least one benefit of having a bank account.
- 3 I can explain two or more benefits of having a bank account.

6. I can explain the difference between a *want* and a *need*.

- 1 I am not sure of this.
- 2 I think I know this.
- 3 I am sure of this.

7. I can explain the difference between a *debit card* and a *credit card*.

- 1 I am not sure of this.
- 2 I think I know this.
- 3 I am sure of this.

8. In terms of insurance, I can define the word *deductible*.

- 1 I am not able to do this.
- 2 I think I can do this.
- 3 I am sure I can do this.

9. I can explain the difference between *fixed* and *variable* expenses.

- 1 I am not able to do this.
- 2 I think I can do this.
- 3 I am sure I can do this.

10. I can explain how my *credit limit* is established and how it affects me.

- 1 I am not able to do this.
- 2 I think I can do this.
- 3 I am sure I can do this.

Student Handout

Values & Spending

We learned in Unit 1 that your values are beliefs or ideas you consider important or desirable. Everyone has values, but everyone does not value the same things equally.

To help you recognize some of your own money values, read the pairs of words below, then circle one value in each pair that would be your first choice in answering the question presented. You must make one choice in each pair.

IF YOU HAD \$50, WHAT WOULD YOU SPEND IT ON?

- | | |
|-------------------------|-------------------------|
| 8. Hobbies | 9. Social activities |
| 5. Church/giving | 5. Church giving |
| 9. Social activities | 10. Personal appearance |
| 3. Clothes | 3. Clothes |
| 1. Savings | 1. Savings |
| 4. Sports/recreation | 5. Church/giving |
| 7. School expenses | 8. Hobbies |
| 3. Clothes | 3. Clothes |
| 2. Food | 2. Food |
| 4. Sports/recreation | 5. Church/giving |
| 5. Church/giving | 6. Car |
| 10. Personal appearance | 7. School expenses |
| 1. Savings | 1. Savings |
| 8. Hobbies | 9. Social activities |
| 7. School expenses | 8. Hobbies |
| 4. Sports/recreation | 4. Sports/recreation |
| 2. Food | 2. Food |
| 8. Hobbies | 9. Social activities |
| 10. Personal appearance | 4. Sports/recreation |
| 2. Food | 3. Clothes |

Values & Spending

(continued)

- 3. Clothes
- 5. Church/giving

- 8. Hobbies
- 9. Social activities

- 5. Church/giving
- 4. Sports/recreation

- 6. Car
- 1. Savings

- 9. Social activities
- 4. Sports/recreation

- 6. Car
- 10. Personal appearance

- 10. Personal appearance
- 1. Savings

- 5. Church/giving
- 6. Car

- 2. Food
- 1. Savings

- 8. Hobbies
- 6. Car

- 9. Social activities
- 7. School expenses

- 6. Car
- 2. Food

- 10. Personal appearance
- 9. Social activities

- 3. Clothes
- 6. Car

- 8. Hobbies
- 10. Personal appearance

- 6. Car
- 4. Sports/recreation

- 7. School expenses
- 1. Savings

- 10. Personal appearance
- 4. Sports/recreation

- 7. School expenses
- 8. Hobbies

- 3. Clothes
- 2. Food

- 5. Church/giving
- 7. School expenses

- 3. Clothes
- 1. Savings

- 9. Social activities
- 6. Car

- 10. Personal appearance
- 7. School expenses

- 7. School expenses
- 2. Food

Student Handout

Values & Spending

(continued)

Count all the times you circled Savings and write the total in the space provide below. Do each of the other values the same way.

1. Savings	6. Car
2. Food	7. School expenses
3. Clothes	8. Hobbies
4. Sports/recreation	9. Social activities
5. Church/giving	10. Personal appearance

Now write the item having the highest number in the space next to number 1. If there is a tie, write the items in the order you would choose. The list reflects the items you consider most important in their order of importance. By knowing your values, you can design a personal spending plan that will fit them. The closer your budget fits your values, the easier it will be to follow.

1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

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	INCOME + \$ (A)	SPENDING - \$ (B)
Wednesday (Today)		
Thursday		
Friday		
Saturday		
Sunday		
Monday		
Tuesday		
Wednesday		
TOTALS		

What happens if you take Total (A) minus Total (B)?

unit 2

managing your resources

unit 2

managing your resources

Key Vocabulary:

- **Budget:** a plan for spending and saving money based on a person's goals during a given time period
- **Income:** money coming in
- **Gross Income vs. Net Income:** **Gross income** is the total amount of income from wages or salary before payroll deductions. **Net income** is the amount of a paycheck after payroll deductions are made.
- **Taxes:** fees placed on income, property, or goods to support government programs
- **Expenses (Fixed vs. Variable) Expenses** are those things that require cost or charge; money spent. A **fixed expense** is one that is the same amount every time. A **variable expense** changes in amount.

Goals/Outcomes:

- Identify the Purpose of a Budget
- Create a Simple Budget
- Analyze Factors Influencing the Budget

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Read with Understanding; Observe Critically; Cooperate with Others; Use Math to Solve Problems and Communicate

Workplace Foundation Skills: Applies Mathematical Concepts and Operations; Works in Teams; Understands Finances

Journal Topic:

It is sometimes said that borrowing money from a friend can harm or damage the friendship. Do you agree? Why or why not?

Materials Needed:

Key Vocabulary Worksheet

Journal Form

Handout 1: Sample Pay Stub

Handout 2: Sample Monthly Budget Handout (Percentage Answer Key Provided)

Handout 3: Pie Chart

Handout 4: Student Monthly Budget Handout

Reflection Journal

Activities:

1. Welcome
2. Key Vocabulary - Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.
3. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.
4. Revisit Homework Assignment – Spending Tracker – Reflect back on the Values and Spending activity completed last week. Does the spending on the tracker reflect the students' self-assessed values? Did students experience a week where they had more income than expenses – or the opposite? To plan ahead financially, a budget may be helpful in determining future income and expenses.
5. Sample Pay Stub – Using Handout 1, look at a sample pay stub. Discuss the different parts of the stub. Can students identify gross income? Net? Deductions? Determine this employee's income per month.
6. Sample Monthly Budget- Look together at Handout 2. Ask students to work independently or with a partner to determine the percentages that correspond with each dollar amount on the sample budget (Answer Key Provided). Use Handout 3 for a visual aid. Discuss the following: What percentages are surprising? Do this family's percentages line up with your spending values? What decisions could affect the budget? What other circumstances could affect it positively? Negatively?
7. Student Monthly Budget Handout – Students can use Handout 4 to begin creating their own budgets.
8. Debriefing: Questions and Discussion.
9. Reflection: Participants reflect on what they learned in the workshop using the Reflection Journal.

Interactive Literacy Activities:

Related Children's Literature:

Bow Wow Bank Account by Judith Bauer Stamper, Chris L. Demarest (Illustrator)
Friends come up with a budget and a plan to afford a new puppy.

Less Than Zero by Stuart J. Murphey, Frank Remkiewicz, Frank Remkiewicz (Illustrator)
Perry the Penguin must manage his spending in order to buy a new scooter. Introduces negative numbers.

Activity:

Learning Through Play: Playing games is a good way for your child to learn to recognize numbers. Here are some fun games using number cards:

- Give your child a pile of counters or buttons. Hold up one of the cards and ask him or her to give you that number of counters. At first you can say the number as you show the card but later just hold it up for the child to look at.
- A fun way to help with recognition of numbers is to select a number card without letting your child see it. Ask him or her to guess which one you have as you gradually expose the number from behind a folder or piece of paper.

- Animal number cards that can be printed and used can be found at http://www.first-school.ws/theme/numbers_preschool_printables.htm

Resources:

Definitions found at: www.nefe.org

Budget Sheet idea found at: www.seekingsuccess.com

Pie Chart Create at: <http://nces.ed.gov/nceskids/createagraph/default.aspx>

Interactive Literacy Activities were found at: www.topmarks.co.uk and http://www.first-school.ws/theme/numbers_preschool_printables.htm

Lesson Plan for Unit 2
Managing Your Resources

Topic	Plan	Materials
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: It is sometimes said that borrowing money from a friend can harm or damage the friendship. Do you agree? Why or why not?		Journal Form
Spending Tracker	1. Discuss results of the Spending Tracker. 2. Have willing students share the results.	Spending Tracker
Understanding your pay stub	1. Review the Handout 1. Focus on: net income, deductions, gross income, etc.	Handout 1- Sample Pay Stub
Analyzing a budget	1. Have students work in small groups to determine the percentages that correspond with each dollar amount on Handout 2. (Answer Key Provided) Use Handout 3 for a visual aid. 2. Discuss the following: What percentages are surprising? Do this family's percentages line up with your spending values? What decisions could affect the budget? What other circumstances could affect it positively? Negatively?	Handout 2: Sample Monthly Budget handout (Percentage Answer Key Provided) Handout 3: Pie Chart
Creating your budget	1. Applying the information from the previous activity, students can use the sheet to begin creating their own budgets. Use Handout 4 as a guide.	Handout 4: Student Monthly Budget handout
Debrief	Questions and Discussion	
Reflection		Reflection Journal

Sample Pay Stub

Employee Name: P. Check
Social Security Number: xxx-xx-xxxx

Gross Income: \$250.00

Federal Income Tax \$24.00

State Income Tax \$9.50

FICA (Soc. Sec. Tax) \$16.05

Medicare Tax \$4.00

Net Income: \$196.45

Pay Period 3/1/98 – 3/8/98

Unit 2
Handout 2

Sample Monthly Budget

Income	Monthly Amount	
Total income	\$785.80	

Routine (or Fixed) Expenses	Monthly Amount	Percent
Cable TV	\$50.00	
Car payments	- no car	
Child care	- use sitter	
Credit card payments	\$50.00	
Insurance (health, car, life and property)	- no car	
Internet Service Provider	-	
Rent or mortgage	\$300.00 - rent	
Loans	-	
Telephone	\$25.00	
Utilities (Gas, Electric, Water, Sewage)	\$150.00 – electric and quarterly water/sewage	
Other	-	
Total routine expenses	\$575.00	

Variable Expenses	Monthly Amount	Percent
Babysitting	-sitter watches for free	
Food	\$120.00	
Transportation - Gas	\$20.00- gas money for friends/family	
Pets	\$3.00 – fish food	
Clothing/Cleaning and Buying	\$10.00 - laundromat	
Education	-	
Entertainment	\$20.00	
Gifts (Birthdays, Holidays, Weddings)	\$10.00	
Medication, Medical Visits, Glasses/Contacts	-	
Savings	-	
Other	-	
Total variable expenses	\$183.00	

Total monthly fixed and variable expenses	\$758.00	
Difference between monthly income and expenses: surplus /deficit – SURPLUS	\$27.80	

Answer Key -
Sample Monthly Budget

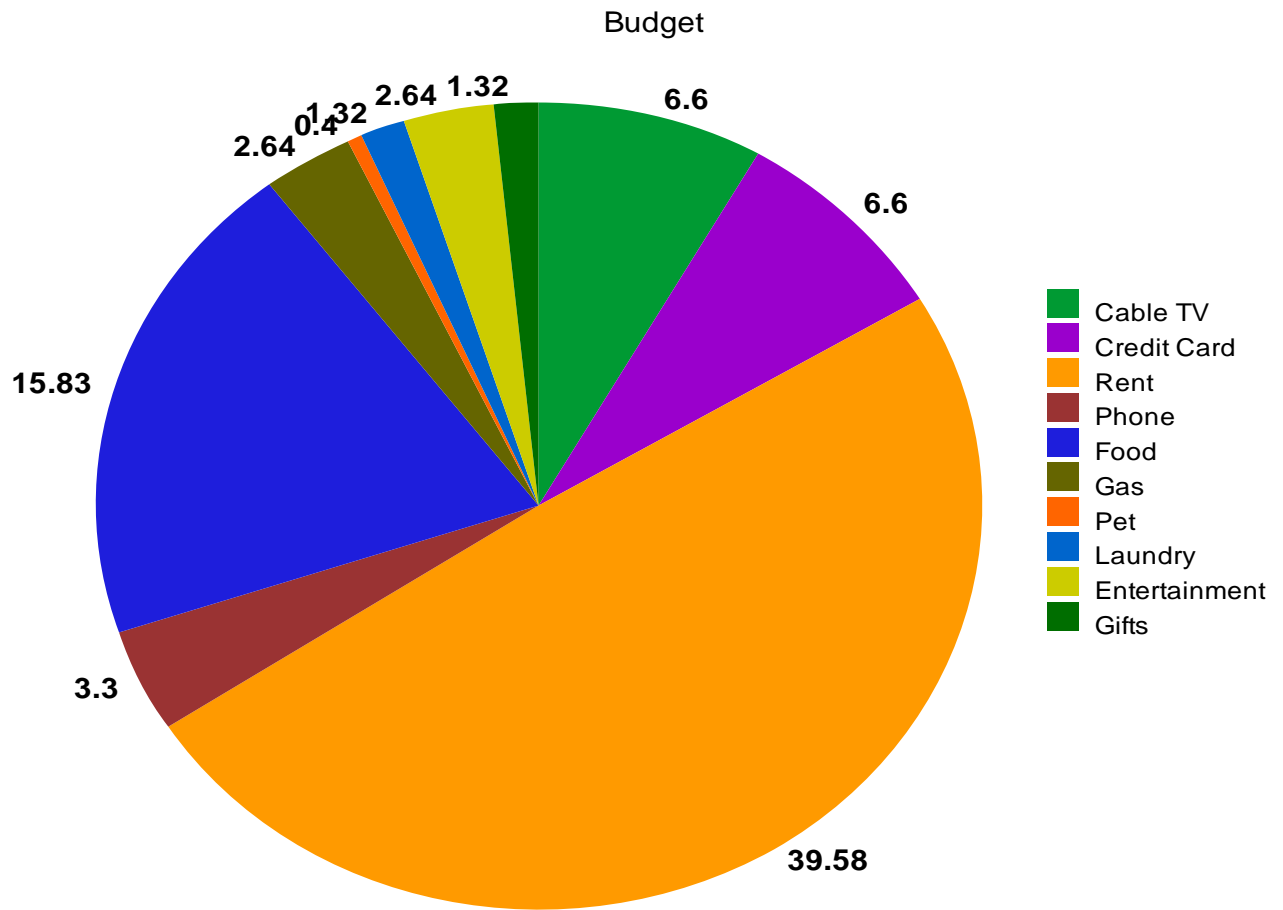
Income	Monthly Amount	
Total income	\$785.80	

Routine (or Fixed) Expenses	Monthly Amount	Percent
Cable TV	\$50.00	6.6%
Car payments	- no car	
Child care	- use sitter	
Credit card payments	\$50.00	6.6%
Insurance (health, car, life and property)	- no car	
Internet Service Provider	-	
Rent or mortgage	\$300.00 - rent	39.58%
Loans	-	
Telephone	\$25.00	3.3%
Utilities (Gas, Electric, Water, Sewage)	\$150.00 – electric and quarterly water/sewage	19.79%

Variable Expenses		
Babysitting	-sitter watches for free	
Food	\$120.00	15.83%
Transportation - Gas	\$20.00- gas money for friends/family	2.64%
Pets	\$3.00 – fish food	.4%
Clothing/Cleaning and Buying	\$10.00 - laundromat	1.32%
Education	-	
Entertainment	\$20.00	2.64%
Gifts (Birthdays, Holidays, Weddings)	\$10.00	1.32%
Medication, Medical Visits, Glasses/Contacts	-	
Savings	-	
Other	-	

Total monthly fixed and variable expenses	\$758.00	
Difference between monthly income and expenses: surplus / deficit	SURPLUS - \$27.80	

Pie Chart



Student Monthly Budget

Income	Monthly Amount	
Total income		

Routine (or Fixed) Expenses	Monthly Amount	Percent
Cable TV		
Car payments		
Child care		
Credit card payments		
Insurance (health, life and property)		
Internet Service Provider		
Rent or mortgage		
Loans		
Telephone		
Utilities (Gas, TV, Electric, Water, Sewage)		
Other		
Total routine expenses		

Variable Expenses	Monthly Amount	Percent
Babysitting		
Food		
Transportation		
Pets		
Clothing/Cleaning and Buying		
Education		
Entertainment		
Gifts (Birthdays, Holidays, Weddings)		
Medication, Medical Visits, Glasses/Contacts		
Savings		
Other		
Total variable expenses		

Total monthly fixed and variable expenses	
Difference between monthly income and expenses: surplus / deficit	

unit 3
establishing a bank
account

unit 3

establishing a bank account

Key Vocabulary:

- **Checking account:** an account from which the account holder can write checks. Checking accounts gather little or no interest. (*Interest: fee paid by the bank to the person holding the account*)
- **Balance:** the amount of money in an account available for use
- **Deposit:** money the account holder puts into the account
- **Withdrawal:** money taken out of an account
- **Transaction:** a withdrawal from or a deposit to an account
- **Overdraft:** fee charged when a check is written for more than the balance in the account

Goals/ Outcomes:

- Explain the benefits of a bank account
- Choose the correct type of bank account
- Balance a checkbook

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Read with Understanding; Observe Critically; Learn Through Research; Reflect and Evaluate

Workplace Foundation Skills: Locates and Uses Resources; Reads with Understanding; Observes Critically; Understands Processes or Products and Services; Understands Finances; Makes Decisions

Journal Topic:

Do you have a bank account? If you do, what are the benefits? If you do not, why not?

Materials Needed:

Key Vocabulary Worksheet

Journal Form

Brochures from local banks

Handout 1: Reasons for having a bank account

Handout 2: Comparing Checking Accounts

Handout 3: Choosing a Checking Account

Handout 4: Keeping a Running Balance

www.practicalmoneyskills.com- interactive activities

Reflection Journal

Activities:

1. Welcome
2. Review Key Vocabulary: Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.
3. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.
4. Benefits of a bank account: Brainstorm the major benefits of a bank account. Distribute Handout 1. Stress: Convenience, Organization, and Saving.
5. Selecting the best bank account: What are some features you look for with a bank account? Stress: Location, Special Features, Requirements and Fees/Charges. Review resources from local banks. Using the bank brochures and Handout 3, select the best bank account for you, or a fictional student.
6. Practice with checks, transaction registers, and statements: Use the interactive checkbook activity found at www.practicalmoneyskills.com (detailed instructions below).
7. Practice with using a checkbook: Participants will use Handout 4 to balance a fictional checkbook. Encourage participants to use calculators to ensure accuracy.
8. Debriefing: Questions and Discussion.
9. Reflection: Participants reflect on what they learned in the workshop using the Reflection Journal.

Interactive Literacy Activities:

Related Children's Literature:

Just a Piggy Bank by Mercer Mayer, Gina Mayer

This book shares a message about saving money.

Pigs Will Be Pigs: Fun with Math and Money by Amy Axelrod, Sharon McGinley-Nally (Illustrator)

This pig family must use math to figure out a way to fill their bellies!

Activity:

Identifying Coins and Bills (coloring sheets can be found at

<http://www.moneyinstructor.com/coloring.asp>)

Homemade Ice Cream – a way to save money!

Recipe:

Ingredients: ice, salt, milk, measuring spoons/cups, small Ziploc bags, large plastic bags, towel, cups, spoons

Procedure: First, one cup of milk is measured and poured into a small Ziploc bag. Two tablespoons of sugar are added to the milk. The recipe can be doubled in each Ziploc as needed. The bag is zipped up, and put into another Ziploc. The bag is put in to a large plastic bag, grocery bags work fine. This bag is put into a second large bag.

Now, ice is added into the bag, covering the smaller bags containing the milk and sugar mix. Salt is added to the ice. This makes it colder and keeps it cold. Use a generous amount of salt. The bag is tied tightly closed. Wrap a towel around the bag and hold closed. Your child can help to shake the towel with the bags inside. It must be shaken for about 15 minutes.

As the ice and mixture are shaken, the ice cream starts to form. The milk and sugar thicken and harden. It comes out tasting like ice milk and is thick. The bags with the ice cream are removed once hardened, and the salt must be washed off the bag right away. The treat can be scooped out and enjoyed.

Comments: It really works! Make sure the bags are tightly closed because they can open while being shaken and the salt will get in to the ice cream.

Resources:

Interactive checkbook activity can be accessed by visiting: www.practicalmoneyskills.com

From the home page, select the purple tab labeled "At Home".

On the left menu bar, select "Banking Services".

Under the heading "Do it" select the "Transaction Register".

Explanations of the different aspects of a register will appear when labels in green (on the right) are clicked.

Ice cream activity found at: <http://www.preschoolrainbow.org/preschoolers.htm>

Lesson Plan for Unit 3
Establishing a Bank Account

Topic	Plan	Materials
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: Do you have a bank account? If you do, what are 3 benefits? If you do not, what are 3 reasons why?		Journal Form
Benefits of a bank account	1. Brainstorm the major benefits of a bank account. Distribute Handout 1. Stress: Convenience, Organization, and Saving.	Handout 1: Reasons for Having a Bank Account
Selecting the best bank account	1. What are some features you look for with a bank account? Stress: Location, Special Features, Requirements and Fees/Charges 2. Review resources from local banks. 3. Using the bank brochures and Handouts 2 and 3, select the best bank account for you, or a fictional student.	Bank Brochures/ Info Handout 2: Comparing Checking Accounts Handout 3: Choosing a Checking Account
Practice with checks, transaction registers, and statements	1. Use the interactive checkbook activity found at www.practicalmoneyskills.com	www.practicalmoneyskills.com -interactive checkbooks
Practice with using a checkbook	1. Participants will use Handout 4 to balance a fictional checkbook. Encourage participants to use calculators to ensure accuracy.	Handout 4: Keeping a Running Balance Calculators
Debrief	Questions and Discussion	
Reflection		Reflection Journal

Unit 3
Handout 1

What are some reasons for maintaining a bank account?

Write your ideas here:



comparing checking accounts

location

branch offices; hours of operation; availability of ATMs

fees

monthly fees; per check fees; printing of checks; balance inquiry fees; ATM fees

other charges

overdraft charge; stop-payment fees; certified check fees

interest

rate earned; minimum deposit to earn interest; compounding method; fee charged for falling below necessary balance

restrictions

minimum balance; deposit insurance; holding period for deposited checks

special features

direct deposit; automatic payments; overdraft protection; online banking; discounts or free checking for students, seniors, or employees of certain companies



choosing a checking account

name of bank:

branch information:

- Branch nearest your home:
- Branch nearest your work:
- Number of branches:

number of ATMs:

bank hours:

are your funds insured?

types of accounts:

fees:

- Must maintain a minimum daily balance of:
- Must maintain an average daily balance of:
- Monthly maintenance charge:

interest:

- How much interest do you earn on your account?
- How is it calculated?

charges:

checks:

Printing checks

Bouncing checks

Stopping checks

Certifying checks

balance inquiries:

At teller window

At ATMs

By phone

withdrawals at:

Teller window

Bank-owned ATMs

Regional network ATMs

National network ATMs

International network ATMs

special services

Fund transfer by phone

Pre-authorized bill payment

Signature guarantee

Bill payment by phone

Check card

deposits:

keeping a running balance (continued)

[illegible]

use the check register you just completed to answer the following questions:

1. What was your account balance on May 30?
2. Could you have paid your car insurance payment on June 1 instead of June 15? If not, why?
3. The love of your life has been in a bad mood lately, and you think an expensive present might help. You've found a leather jacket on sale for \$189.00. Can you afford to buy the jacket on June 8? What will your account balance be if you do?
4. The hottest new band in town has just released a CD. It costs \$21.99. Can you afford to buy the CD on June 2? What will your account balance be if you do?
5. What was your account balance after you withdrew \$30.00 on June 28?
6. What was the amount of check #111, to whom did you write it, and for what?

unit 4
being clever with
credit

unit 4

being clever with credit

Key Vocabulary:

- **Finance charges:** a fee charge for buying something with credit
- **Interest:** a sum paid for the use of credit
- **Revolving Credit:** credit that allows the holder to purchase items as long as he does not go over a maximum amount. Repayment is made at regular times and at pre-determined, total, or minimum amounts. Interest is charged on any amount not repaid in full.
- **Balance:** the amount of unpaid money on a credit card
- **Minimum Monthly Payment:** the minimum amount a person is required to repay each month on a credit card
- **Credit Line:** the maximum amount a person can charge on a credit card
- **Late fees:** an amount charged when a person repays late. This is usually a percentage of the balance.
- **Default:** when a person is no longer able to repay the balance on a credit card
- **Credit Report/ Credit Rating:** a score between 450 and 850 based on a person's credit history

Goals/ Outcomes:

- Understand how to select for a credit card
- Read and interpret a credit card statement
- Understand the negative results of over-using a credit card
- Determine a safe amount of debt
- Explain a credit report or credit rating

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Read with Understanding; Observe Critically; Solve Problems and Make Decisions; Plan; Learn through Research; Reflect and Evaluate

Workplace Foundation Skills: Read with Understanding; Listen with Understanding; Observe Critically; Understand Processes and Product Services; Understands Finances; Makes Decisions; Solves Problems

Journal Topic:

What are some positives and negatives of owning a credit card? What are some traits make a person a responsible credit card holder?

Materials Needed:

Key Vocabulary Worksheet

Journal Form

Brochures from credit card companies

Handout 1: Advantages and Disadvantages of Credit Cards

Handout 2: Shopping for Credit

Handout 3: How Much Does It Really Cost?

Handout 4: How Much Can You Afford?

Handout 5: How Deep Can They Go?

Reflection Journal

Activities:

1. Welcome.
2. Review Key Vocabulary: Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.
3. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.
4. What are credit cards? A credit card allows the holder to purchase something now and pay for it at a later time. There are 3 main types: single payment cards like those for a utility company; installment credit like those for cars, furniture or appliances; and revolving credit like those with set limits that require payments at regular intervals.
5. What are some advantages and disadvantages? Brainstorm. Focus on: Advantages: can buy items when they are needed; organizes purchases for record keeping; convenience; write one check instead of many. Disadvantages: items cost more; extra fees; can overcharge or buy unnecessary items.
6. Shopping for credit. Discuss how the features can vary from one card to another. Study the credit card information to answer the questions on Handout 2. Participants can work independently or in small groups. Debrief.
7. How much does it really cost? Discuss how a credit card will actually increase the amount a person will spend on an item because of interest. Complete Handout 3.
8. How much debt can you carry? Credit is good as long as you stick to the 20-10 rule. Discuss the rule and complete Handouts 4 and 5.
9. Debriefing. Questions and Discussion.
10. Reflection: Participants reflect on what they learned in the workshop using the Reflection Journal.

Interactive Literacy Activities

Related Children's Literature:

The Treasure by Uri Shulevitz, Uri Shulevitz (Illustrator)

A poor man begins on an adventure that leads to a treasure.

Activity:

Piggy Bank – Color the pig coloring sheet, and add some “money” by gluing on pictures of coins and bills!

Create a money treat! Mix green food coloring with vanilla icing. Children can spread onto graham crackers to make edible dollar bills!

Resources:

www.mastercard.com

www.discovercard.com

www.practicalmoneyskills.com

Lesson Plan for Unit 4
Being Clever with Credit

Topic	Plan	Materials
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: What are some of the positives and negatives of owning a credit card? What are some traits that make a person a responsible credit card owner?		Journal Form
What are credit cards?	A credit card allows the holder to purchase something now and pay for it at a later time. There are 3 main types: single payment cards like those for a utility company; installment credit like those for cars, furniture or appliances; and revolving credit like those with set limits that require payments at regular intervals.	
Advantages and disadvantages	Brainstorm. Focus on: Advantages: can buy items when they are needed; organizes purchases for record keeping; convenience; write one check instead of many Disadvantages: items cost more; extra fees; can overcharge or buy unnecessary items Introduce Handout 1.	Handout 1: Advantages and Disadvantages of Credit Cards
Shopping for credit	1. Discuss how features can vary. 2. Study the credit card information provided to answer the questions on	Information on credit cards- real or fictional Handout 2: Shopping for Credit

	Handout 2. 3. Regroup to discuss.	
How much does it really cost?	<p>1. Credit cards actually increase the amount of money a person will spend on an item- interest.</p> <p>2. Credit is good, as long as you stick to the 10-20 rule.</p> <p>Discussion around Handouts 3-5.</p>	<p>Handout 3: How Much Does It Really Cost</p> <p>Handout 4: How Much Can You Afford</p> <p>Handout 5: How Deep Can They Go?</p>
Debrief	Questions and Discussion	
Reflection		Reflection Journal

Credit Cards

Advantages

Disadvantages



shopping for credit

Credit card costs and features can vary greatly. This exercise will give you a chance to shop for and compare the costs and features of three credit cards.



directions

Using the attached form, research the costs and features of:

- Two major credit cards; and
- One credit card from a department store.

When you're done, answer the following questions.

what did you find?

1. Which credit card has the highest annual percentage rate and how much is it?
2. What method is used to calculate the monthly finance charge for the first major credit card?
3. When does the finance charge begin to accrue on the credit card from the local department store?
4. Do any of the cards have annual fees?
If so, which one(s) and how much is the fee?
5. Is there a transaction fee on any card?
If so, how much is it?
6. Is there a minimum finance charge on either of the major credit cards?
If so, how much is it?
7. Does the first major credit card charge a fee for late payments?
If so, how much is it?
8. What is the grace period on the credit card from the local department store?
9. Rafael wants to buy a new CD player that costs \$450. According to his budget, he can afford payments up to \$62.00 per month. Which of the three credit cards you've found would you recommend that Rafael use to purchase the CD player?
Why?

shopping for credit (continued)

use the following form to compare two or more credit cards:

	card one	card two
Type of account: Credit card Charge card		
Company name, address, phone		
Web site		
Locations where card is accepted		
Annual fee (if any)		
Grace period		
Annual Percentage Rate (APR)		
Finance charge calculation method		
Credit limit		
Minimum payment		
Other fees: Late payment		
Other features		



How much does it really cost?

Answer the following questions. You'll see for yourself how much items bought with credit can actually cost.

Jose' wants to buy a stereo for \$650 and pay for it using a credit card that has an Annual Percentage Rate of 19.85% and a periodic interest rate of 1.65%.

If Jose' pays the minimum monthly payment of \$21.45:

1. How long will it take him to pay for the stereo?
2. What is the total amount Jose' will pay for the stereo?
3. What is Jose' total cost for using credit?

If Jose' makes monthly payments of \$60:

4. How many months will it take for Jose' to pay off the stereo?
5. What is the total amount Jose' will pay for the stereo?
6. What is Jose' total cost for using credit?

Patty took a cash advance of \$1500. Her new credit card, as a special promotion, charges an Annual Percentage Rate of 5.9% and a periodic interest rate of .4917% for the first six months. After the first six months, an Annual Percentage Rate of 21% and periodic rate of 1.75% apply. The transaction fee for cash advances is 3% of the cash advance with minimum fee of \$5.00 and a maximum fee of \$35.00.

If Patty makes monthly payments of \$60.50:

7. How long will it take Patty to pay for the cash advance?
8. What is the total amount Patty will end up paying for the cash advance?
9. How much interest and fees will Patty pay?

If Patty pays the cash advance back at a rate of \$120 per month?

10. How long will it take Patty to pay for the cash advance?
11. What is the total amount Patty will end up paying for the cash advance?
12. How much interest and fees will Patty pay?

Marie just used her new credit card to buy a bike for \$400. Her budget allows her to pay no more than \$25 dollars each month on her credit card. Marie has decided not to use the credit card again until the bike is paid off. The credit card she used has an Annual Percentage Rate of 21% and a periodic interest rate of 1.75%.

If Marie pays \$25 each month on her credit card:

13. How long will it take Marie to pay for the bike?
14. What is the total amount Marie will end up paying for the bike?
15. How much interest will Marie pay for using her credit card to buy the bike?

If Marie pays the minimum payment of \$14 each month:

16. How long will it take Marie to pay for the bike?
17. What is the total amount Marie will end up paying for the bike?
18. How much interest will Marie pay for using her credit card to buy the bike?

Gary has just used his credit card to buy a new watch. He got the watch on sale for \$235. The regular price was \$290. He used a credit card that has an Annual Percentage Rate of 20% and a periodic interest rate of 1.67%.

If Gary makes the minimum monthly payment each month of \$10:

19. How much will Gary end up paying for his new watch?
20. How long will it take Gary to pay for his new watch?
21. What is the total amount of interest Gary will end up paying?

If Gary pays \$25 each month, instead of the minimum monthly payment of \$10 each month:

22. How much will Gary end up paying for his new watch?
23. How long will it take Gary to pay for his watch?
24. What is the total amount of interest Gary will end up paying?



How much can you afford?

Never borrow more than 20% of your yearly net income

- If your net income (money after taxes) is \$400 a month, then your net income in year is:
 $12 \times \$400 = \4800
- Calculate 20% of your annual net income to find your safe debt load.
 $\$4800 \times 20\% = \$4800 \times .20 = \$960$
- So, you should never have more than \$960 of debt outstanding.
- Note: Housing debt (i.e., mortgage payments) should not be counted as part of the 20%, but other debt should be included, such as car loans, student loans and credit cards.

Monthly payments shouldn't exceed 10% of your monthly net income

- If your take home pay is \$400 a month:
 $\$400 \times 10\% = \$400 \times .10 = \$40$

Your total monthly debt payments shouldn't be more than \$40 per month.
- Note: Housing payments (i.e., mortgage payments) should not be counted as part 10%, but other debt should be included, such as car loans and credit cards.



Read each of the following scenarios and determine if the purchase can be made and how the decision will affect the credit load.

Write your answers in the blanks provided. Use the space below each problem to show how you arrived at your answer. (Use the other side of the paper if you need more room.)

1. Nancy and Thomas have a combined monthly income of \$1,200. What is the most they can afford to pay for installment and credit card debt?
2. Jessie has a monthly net income of \$800. His fixed monthly expenses consist of \$150 for rent. He currently pays \$80 each month for a credit card bill, and now he wants to buy a car. What does Jessie have left in his budget for a car payment to stay within his safe debt load?
3. Carla has a monthly net income of \$450. She wants to buy a new bike and pay for it using a credit card. What is the largest monthly payment she can commit to making?
4. Jorge has a monthly net income of \$640. His fixed monthly expense consists of a rent payment of \$120. (A) Right now, how much can he afford to borrow to stay within his safe debt load?

He also has a car payment of \$125 per month. Jorge wants to buy new tires for his car. The tires will cost him \$40 per month on his credit card. (B) With his car payment and his new tires, will he still be within his safe debt load?

(C) What percentage of his net income, after rent, will he now have committed to debt payments?

Chase Mastercard

RATE, FEE AND OTHER COST INFORMATION

Annual Percentage Rate (APR) for purchases

Elite and Premium Pricing:^a A 0% fixed APR for the first 12 billing cycles following the opening of your account. After that, **14.24%** variable^b for Elite Pricing, or **18.24%** variable for Premium Pricing. Standard Pricing: From account opening, **23.24%** variable.

Other APRs

Balance Transfer APR: Elite and Premium Pricing: A 0% fixed APR for the first 12 billing cycles following the opening of your account. After that, 14.24% variable for Elite Pricing, or 18.24% variable for Premium Pricing. Standard Pricing: A 0% fixed APR for the first 3 billing cycles following the opening of your account. After that, 23.24% variable.

Cash Advance APR: Elite and Premium Pricing: 24.24% variable. Standard Pricing: 28.24% variable.

Default APR: 32.24% variable. See explanation below.^c

Overdraft Advance APR: 13.99% fixed (not available in some states)

Variable rate information

The following APRs may vary monthly based on the Prime Rate:^d

Purchase APR: Elite and Premium Pricing: The Prime Rate plus 5.99% for Elite Pricing, or plus 9.99% for Premium Pricing for outstanding and new balances after the introductory period. Standard Pricing: The Prime Rate plus 14.99%.

Balance Transfer APR: Elite and Premium Pricing: The Prime Rate plus 5.99% for Elite Pricing, or plus 9.99% for Premium Pricing for outstanding and new balances after the introductory period. Standard Pricing: The Prime Rate plus 14.99% for outstanding and new balances after the introductory period.

Cash Advance APR: Elite and Premium Pricing: The Prime Rate plus 15.99%. Standard Pricing: The Prime Rate plus 19.99%.

Default APR: The Prime Rate plus up to 23.99%.^e

Grace period for repayment of purchase balances
At least 20 days
Method of computing the balance for purchases
Two-cycle average daily balance method (including new purchases).
Annual fee
None
Minimum finance charge
\$1.00
Transaction fee for balance transfers
3% of the amount of each transaction, but not less than \$5.00 nor more than \$75.00.
Transaction fees for cash advances
3% of the amount of the transaction, but not less than \$10.00.
Other fees
<p>Late Payment fee: \$15.00 on balances up to, but not including, \$100.00; \$29.00 on balances of \$100.00 up to, but not including, \$250.00; and \$39.00 on balances of \$250.00 and over.</p> <p>Over-the-Credit-Limit fee: \$39.00</p> <p>International Transactions: 3% of the U.S. dollar amount of the transaction, whether originally made in U.S. dollars or converted from a foreign currency.</p>

^aWe will first consider you for the pricing above with the lowest rates. We reserve the right, based upon our review of your credit history and information furnished by you, to open an account with alternative pricing as stated above, or not to open an account at all.

^b**Rates, fees, and terms may change:** We reserve the right to change the account terms (including the APRs) at any time for any reason, in addition to APR increases that may occur for failure to comply with the terms of your account. For example, we may change the terms based on information in your credit report, such as the number of other credit card accounts you have and their balances. The APRs for this offer are not guaranteed; APRs may change to higher APRs, fixed APRs may change to variable APRs, or variable APRs may change to fixed APRs. Any changes will be in accordance with your account

agreement.

^cYour APRs may increase if you default under any Cardmember Agreement you have with us for any of the following reasons: We do not receive, for any payment that is owed on this Account or any other account or loan with us, at least the minimum payment due by the date and time due; you exceed your credit line on this Account, if applicable; you make a payment to us that is not honored by your bank; or, if at any time after your Account is closed, we demand immediate payment of your outstanding balance and we do not receive payment within the time we specify.

^dThe "Prime Rate" is the highest prime rate published in the Money Rates column of *The Wall Street Journal* two business days before the Closing Date on the statement for each billing period. Variable APRs are based on the 8.25% prime rate on 07/05/2006.

^eWe may consider the following factors to determine the default rate: the length of time your Account has been open; the existence, seriousness and timing of defaults; other indications of your Account usage and performance; and information about your other relationships with us, any of our related companies or from consumer credit reports.

Discover Card

Annual Percentage Rate (APR) For Purchases	0.00% until the last day of the billing period ending during February 2008*; thereafter the standard APR, an estimated rate between 10.99% and 17.99%* (see Variable Rate Information)
Other APRs	<p>Balance Transfers: 0.00% until the last day of the billing period ending during February 2008;* thereafter the standard APR for purchases</p> <p>Default Rate: Between 15.99% and 28.99%, based on payment history.</p> <p>Cash Advances: Discover Platinum Card: 20.99%</p>
Variable Rate Information	The following APRs may vary monthly: Standard purchase APR equals the Prime Rate plus an amount (the Margin) between 2.74% and 9.74% . [†] Default Rate equals the Prime Rate plus the Margin plus 5 percentage points for each late payment (maximum 28.99%).*
Grace Period for Repayment of the Balance of Purchases	At least 25 days when you pay your balance in full each month
Method of Computing the Balance for Purchases	Two-cycle Average Daily Balance (including new purchases)
Annual Fee	NONE
Minimum Finance Charge	\$0.50

CASH ADVANCE TRANSACTION FEE: 3% for each cash advance, with a minimum of \$5 and no maximum. **LATE FEE:** \$15 on balances up to \$500, and \$39 on balances over \$500. **OVERLIMIT FEE:** \$15 on balances up to \$500, and \$39 on balances over \$500.

***Default Rate:** If you are late making a payment, any rates not exceeding the Default Rate will change to be the same rate and type (fixed or variable) as the Default Rate. See Cardmember Agreement for details.

[†] The Prime Rate used is the highest prime rate listed in *The Wall Street Journal* on the last business day of the month. Actual amount added will be based on our evaluation of your credit and will be disclosed with your Card.

Introductory/Special APRs: Please allow up to 4 weeks before payments to your other accounts are made. Accordingly, you should continue to make all required payments until you confirm that the balance transfers were made. If you are approved for an Account, you will be able to make balance transfers under this offer until May 1, 2007. If you request balance transfers after this date, we will not make the balance transfers. Balance transfers may not be used to pay any Discover accounts. Balance transfers do not earn a *Cashback Bonus®*. Balance transfer requests will be processed from the lowest to the highest dollar amount. If a balance transfer transaction would cause you to exceed your account credit limit, you authorize us to process your balance transfers for an amount less than the full amount requested. Making additional transactions may still cause you to exceed your account credit limit. You may only make balance transfers to Accounts that list you as

an Accountholder. **There is no grace period on balance transfers.** Any introductory/special rates will terminate if you are late making a payment or your account is overlimit as discussed in the Default Rate section above and in the Cardmember Agreement. If you make a balance transfer with this application, there is no balance transfer transaction fee.

Payment Allocation: We apply payments and credits to balances with low introductory/special APRs (such as special balance transfer and purchase APRs) prior to balances with standard APRs. Therefore, your savings will be reduced by making additional transactions or having balances that are subject to standard APRs. In addition, the length of time the introductory/special APRs will apply to your account may be reduced by the amount of your payments.

Application Information: Federal law requires that we obtain certain information about you such as your date of birth and street address in order to verify your identity. You authorize us to obtain a consumer report from consumer reporting agencies in considering this application. Upon your request, we will inform you of the name and address of each consumer reporting agency from which we obtained a consumer report relating to you. Offer only available to US citizens and permanent residents 18 and older. To apply with a joint applicant, write to us at PO Box 30943, Salt Lake City, UT 84130-0943. Every applicant, including spouse, may apply for a separate Account. THIS OFFER SUPERSEDES ALL PRIOR OFFERS. Terms of this offer, including fees and calculation of variable rates, are accurate as of December 2006 and may change after that date. To find out what may have changed after that date write to us at PO Box 15410, Wilmington, DE 19886-0820. **Please allow 30 days for us to process your application.**

Cardmember Agreement: You agree to be bound by the terms of the Cardmember Agreement, which will be sent with the Card. You also agree that the Cardmember Agreement and the Account are governed by Delaware and federal law. The Cardmember Agreement, which includes the rates and fees, is subject to change.

Arbitration: The Cardmember Agreement provides that we may choose to resolve a claim relating to your Account by binding arbitration, in which case, you will not have the right to have that claim resolved by a judge or jury. You may reject the arbitration provision with respect to your new Account within 30 days after receiving your Card. For restrictions and details, write to us at PO Box 15192, Wilmington, DE 19886-1020.

Ohio Residents: Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law. **New York**

Residents: Call the New York State Banking Department at (800) 518-8866 for a comparative list of credit card rates, fees and grace periods. **Wisconsin Residents:** No agreement, court order or individual statement applying to marital property will adversely affect a creditor's interests unless prior to the time credit is granted the creditor is furnished with a copy of the agreement, court order or statement, or has actual knowledge of the adverse provision. Married Wisconsin residents must furnish their spouse's name and address to us at PO Box 15410, Wilmington, DE 19886-0820.

Rewards: Earn unlimited cash rewards on all purchases. Earn 5% *Cashback Bonus* on purchases throughout the year by participating in each Get More program. In addition, earn a full 1% on all other purchases after your total annual purchases exceed \$3,000; other purchases that are part of your first \$1,500 earn .25% and other purchases that are part of your second \$1,500 earn .50%. Purchases made at select warehouse clubs, discount stores and their affiliates earn .25%. Rewards are redeemable in \$20 increments. Rewards have no expiration date; however, certain circumstances, such as account closure and inactivity for more than 36 months, could result in forfeiture of some or all of your *Cashback Bonus*. Full terms and conditions will be sent with your Card.

Insurance: Scheduled Air Travel Accident Insurance is underwritten by National Union Fire Insurance Company of Pittsburgh, PA. Certain limitations and exclusions apply.

Secondary Rental Car Collision Coverage is an insurance program and only available to Discover Platinum Cardmembers. Certain restrictions and limitations apply. Refer to the Description of Coverage for full disclosure. The Plan Administrator for the Secondary Rental Collision Coverage is AON Innovative Solutions, PO Box 220, Golden, CO 80402-0220. The Plan is underwritten by Virginia Surety Company, Inc., Glenview, IL 60025.

unit 5

planning ahead

unit 5

planning ahead

Key Vocabulary:

- **Allowance:** sum of money granted to a person on a regular basis
- **Unexpected:** not planned; surprising
- **Deductible:** the amount you have to pay out-of-pocket for expenses before the insurance company will cover the remaining costs

Goals/ Outcomes:

- Identify unexpected variables that could impact a person's planned budget
- Problem-solve using a sample budget
- Discuss strategies for planning ahead

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Read with Understanding; Solve Problems and Make Decisions; Cooperate with Others; Reflect and Evaluate

Workplace Foundation Skills: Applies Mathematical Concepts and Operations; Reads with Understanding; Understands Finances; Works in Teams

Journal Topic:

Do you think children should get an allowance? Why or why not? If you think they should get an allowance, how much should they receive and how often?

Materials Needed:

Key Vocabulary Worksheet

Journal Form

(From Lesson 2) Handout 2: Sample Monthly Budget

Handout 1: Career Article 138

Handout 2: Baby Budget

Reflection Journal

Interactive Literacy Activity Handout 1: Pig Template

Interactive Literacy Activity Handout 2: Letter P Sheet

Activities:

1. Welcome.
2. Review Key Vocabulary: Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.

3. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.
4. Revisit Handout 2: Sample Monthly Budget (from Lesson 2)- Using a budget system is a great way to plan ahead. Sometimes, though, we cannot predict certain factors that have an impact on our budget. Ask students to brainstorm and share what types of unexpected expenses could impact the Sample Monthly Budget. Are there any changes that could be made to the budget to help with the unexpected expense?
5. Career Article 138 – Locate Handout 1: Career Article 138. Read the article together. Ask the group if anyone has a system for planning for the unexpected. Are there other unexpected expenses that are not listed here?
6. Baby Budget – A new addition to the family can be a wonderful experience, but can also be quite costly. Using Handout 2, students can determine how many (or if any) of each baby item they would need to prepare for a new infant. Students can work independently or in teams. Calculate the cost of a newborn using the sheet. How much money would a newly expectant mother need to save each month in order to be prepared for the costs?
7. Debriefing: Questions and Discussion.
8. Reflection: Participants reflect on what they learned in the workshop using the Reflection Journal.

Interactive Literacy Activities:

Related Children's Literature:

A Chair for My Mother by Vera B. Williams, Vera B. Williams (Illustrator)

A savings of coins is used to purchase a new chair after a family loses their home to a fire.

Activity:

Piggy Bank: Using old milk cartons, shoe boxes, or containers, families can create their own piggy banks. One parenting tip might be to encourage parents to place tokens in the bank to reward good behavior.

Resources:

Vocabulary definitions were found at www.dictionary.reference.com

Career Article 138 was found at www.seekingsuccess.com

Baby Budget sheet was found at www.teenageparent.org

Letter P coloring page was found at [//www.first-school.ws/t/alpha_pigb.html](http://www.first-school.ws/t/alpha_pigb.html)

Lesson Plan for Unit 5
Planning Ahead

Topic	Plan	Materials
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: Do you think children should get an allowance? Why or why not? If you think they should get an allowance, how much should they receive and how often?		Journal Form
Revisit Handout 2: Sample Monthly Budget (from Lesson 2)	1. Using Handout 2 from Lesson 2, ask students to brainstorm and share what types of unexpected expenses could impact the budget.	Handout 2: Sample Monthly Budget (from Lesson 2)
Career Article 138	1. Read Handout 1 together. Ask the group if anyone would like to share a system they have for planning ahead. Are there other unexpected expenses that are not mentioned in the article?	Handout 1: Career Article 138
Baby Budget	1. Have students work in small groups or pairs to complete Handout 2. Students can calculate the cost of a newborn. How much money would a newly expectant mother need to save each month to be prepared?	Handout 2: Baby Budget
Debrief	Questions and Discussion	
Reflection		Reflection Journal

Career Article 138: Financial Basics: Budgets

Little things add up quickly. If you don't believe that, keep track of every penny you spend for a month. That trip to Burger King twice a week adds up to \$520.00 at the end of one year. What about a couple sodas from the vending machine --- five days a week? That's another \$312.00. Eliminate those two alone and you'd save enough for a modest vacation.

When you see all the expenses, including the "little things" you may want to make changes. Maybe you'll decide instead of that daily bagel and gourmet coffee, you'll make breakfast at home. That sacrifice may be worth it, if you have an extra \$780.00 to spend on your wardrobe or a new stereo.

Tracking your expenses is the first step toward defining your priorities and creating a realistic budget.

Tracking your expenses for a month is a great way to identify routine expenses. However, life is not routine. Prepare for the unexpected. Here are a few examples of unexpected or unusual expenses. You'll need to examine your own life to make a complete list.

1. *Car Repairs*

This will vary based on the age of your vehicle, how you care for it and how much you drive it. Ask your local car repair shop to help with an estimate. At minimum, plan for general maintenance plus save \$25 a month for the unexpected.

2. *Medical Costs*

Check your healthcare, dental, and vision policies. You'll want to budget enough to cover your deductible and co-payments. Be aware of what these plans don't cover. For example, you may have coverage for an eye exam by an MD but not an annual vision check by your Optometrist.

3. *Holidays and Birthdays*

Set aside a little every month to spend on these events.

4. *Weddings and Baby Showers*

If you are in your early to mid 20s, you can expect to be invited to a few weddings, bridal showers and baby showers each year. Being a groom or a bridesmaid is even more costly. Allow space in your budget for this.

5. *Emergency Travel*

If you live away from your family, you may be called to make sudden unexpected trips in certain emergency situations or to attend funerals.

6. *Office Parties*

If you work with a group of people, plan on occasional birthday lunches and group gifts for retiring workers. Depending on your office size, you can set aside 5-12 dollars per month for such events.

7. *Broken Appliances*

Hairdryers, vacuum cleaners, telephones and other appliances have relatively short lives. Plan for occasional replacement purchases.

8. *Change in Life Expenses*

Marriage and children are wonderful, but they also have large expenses attached. With proper planning, the expenses are manageable. Research wedding costs carefully, and make decisions about catering, photography and your honeymoon after you have planned a budget that you can handle. Children are not only life changing, but also life long commitments. Plan beyond the delivery, diapers and doctor's visits. Make sure you plan for childcare, education, clothing and a home.

BABY BUDGET
How much does the first year cost?

Take this quiz and find out how much it costs to raise a baby for a year! Enter how many of each item you think you will need. Total it up. Are there other items you can think of that you will need in the baby's first year? Doctor visits, toys, etc.? Add this to your total.

NURSERY ITEMS

5. You will need crib(s). (\$100.00 each)
6. You will need crib mattress(es). (\$45.00 each)
7. You will need crib sheets. (\$10.00 each)
8. You will need crib blankets. (\$10.00 each)
9. You will need crib mattress pad(s). (\$7.76 each)
10. You will need receiving blanket(s). (\$2.98 each)
11. You will need crib mobile(s). (\$14.95 each)
12. You will need crib activity center(s). (\$12.57 each)
13. You will need changing table(s). (\$89.00 each)
14. You will need changing table pad(s). (\$8.00 each)
15. You will need cradle(s) or bassinette(s). (\$80.00 each)

HEALTH /SAFETY ITEMS

(Remember, you are buying for a year!)

16. You will need hairbrush(es) and comb(s) for the baby. (\$6.87 each)
17. You will need digital thermometer(s). (\$10.27 each)
18. You will need humidifier(s)/vaporizer(s) (\$35.42 each) for when the baby gets sick and you probably ought to pick up nasal aspirator(s) (\$2.01 each) and medicine dropper(s) (\$1.97 each) while you are at the store!
19. You will need toothbrush(es). (\$.89 each)
20. You will need baby monitor(s). So you can hear when the baby is crying. (\$25.00 each)
21. Do you have stairs in your house? You will need stairway gate(s) to protect the baby from falling down the stairs. (\$9.96 each)
22. You will need drawer latches (\$.13 each) and outlet plug covers (\$.09 each) so the baby doesn't get into things he/she shouldn't. (\$ each)

23. You will need baby bathtub(s). (\$14.39 each)
24. You will need baby washcloths. (\$.79 each) (Don't forget to get enough for when you haven't had time to do the laundry!)
25. You will need bathtub ring (\$8.96 each) and faucet protector(s) (\$2.00 each) so baby can be independent in the bath.
26. You will need hooded towel(s) to keep the baby warm after the bath. (\$6.00 each)
27. You will need to buy : (Remember you are buying for a year!)
- baby soap(s) (\$2.77 each),
- baby lotion(s) (\$2.81 each),
- baby powder(s) (\$2.00 each),
- baby oil(s) (\$2.80 each),
- diaper rash ointment(s). (\$3.50 each)
28. You will need to buy boxes of laundry detergent for baby clothes! (\$4.89 each) (Hint - About 2 a month!)
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DIAPERS

(Remember, you are buying for a year!)

29. You will need to buy disposable diapers. (\$.30 each) (Hint - you will use about 75 diapers a week and about 320 diapers a month)
30. Even if you are using disposables, cloth diapers come in handy as burp/spit towels!
- You decide to buy dozen to keep on hand. (\$12.00 each)
31. You will need to buy boxes of baby wipes. (\$2.97 each) (Hint - you will use about 2 a month).
32. You will need to buy diaper bag(s). (\$15.00 each)
33. You will need to buy cloth diapers if you choose to use them instead of disposable. (\$12.00 each) (Hint - You should have at least 3 dozen **clean** diapers on hand).
34. You will need to buy diaper pail(s). (\$17.95 each)
35. You will need to buy diaper cover(s). (\$1.59 each)
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FEEDING BABY

(Remember, you are buying for a year!)

If you plan on breast-feeding the Baby:

36. You will need to buy breast pump(s) if you plan on nursing while you are in school or working. (\$24.98 each)
37. You will need to buy nursing pad(s). (\$.58 each) (Hint - about 3-4 a day)
38. You will need to buy nursing bra(s). (\$14.00 each) (Hint - you will need extras because

of how quickly they need to be laundered!)

39. You will need to buy pacifiers. (\$1.34 each) (Better buy a few extra - for the ones that end up getting misplaced).
40. You will need to buy pacifier holders. (\$1.76 each)

If you plan on using formula:

41. You will need to buy cans of formula. (\$3.65 each) (Hint - you will use 7-8 a week and about 32 a month).
42. You will need to buy packages of wipes. (\$2.97 each) (Hint - 2 a month).
43. You will need to buy 4 oz. bottles. (\$.99 each)
44. You will need to buy 8 oz bottles. Don't forget to get enough to allow for breakage and having a couple of spares. (\$1.65 each)
45. You will need to buy bottle brush(es) to clean the bottles. (\$2.00 each)
46. You will need to buy boxes of bottle inserts if you plan on using them. (\$3.43 each) (Hint - about 4 a month).
47. You will need to buy nipple(s) for the bottles. These are in addition to your bottles! (\$.30 each)

CONGRATULATIONS!

(Remember, you are buying for a year!)

The good news is your baby is getting bigger and more independent. The bad news is there are more expenses involved!

48. Your baby is growing - you now need a toddler car seat.
Enter 1 here to buy a toddler car seat. (\$55.00)
49. You will need to buy jars of baby food. (\$.47 each) (Hint - Babies begin on solid foods at about 6 months.)
50. You will need high chair(s). (\$47.00 each)
51. You will need to buy childproof plates and bowls. (\$3.96 each)
52. You will need to buy infant spoons. (\$.94 each)
53. You will need to buy cloth bibs. (\$2.75 each)
54. You will need to buy plastic bibs. (\$1.96 each)
55. You will need to buy no-spill cups. (\$1.73 each)

CLOTHING

(Remember, you are buying for a year!)

56. You will need to buy sleepers. (\$4.95 each)

57. You will need to buy hats. (\$2.78 each)
58. You will need to buy booties. (\$2.39 each)
59. You will need to buy gowns. (\$6.00 each)
60. You will need to buy outfits. (\$12.00 each)
61. You will need to buy socks. (\$2.48 each)
62. You will need to buy coats. (\$24.00 each)
63. You will need to buy warm suits. (\$18.00 each)
64. You will need to buy shirts. (\$6.45 each)
65. You will need to buy pants. (\$9.18 each)

ADDITIONAL ITEMS

Not necessary items, but they sure make life easier!

66. You decide to buy carrier(s). (\$40.00 each)
67. You decide to buy stroller(s). (\$48.00 each)
68. You decide to buy play yard. (\$60.00)
69. You decide to buy extra diaper bag(s). (\$15.00 each)
70. You decide to buy swing(s). (\$80.00 each)
71. You decide to buy doorway jumper(s). (\$20.00 each)
72. You decide to buy small toys. (\$8.00 each)
73. You decide to buy books. (\$3.00 each)
74. You decide to get set(s) of pictures taken. (\$30.00 each)
75. You decide to buy yard toys. (\$48.00 each)

All together it will cost

unit 6
putting it all
together

unit 6

putting it all together

Key Vocabulary:

- **Problem:** an obstacle that makes is hard to achieve a desired goal
- **Solution:** the act of solving a problem, question, etc.
- **Consequence:** the effect, result, or outcome

Goals/ Outcomes:

- Identify steps to problem solving
- Apply problem solving skills to real-life scenarios
- Reflect on problem solving process

Equipped for the Future and Workplace Foundation Skills:

Equipped for the Future: Read with Understanding; Solve Problems and Make Decisions; Take Responsibility for Learning

Workplace Foundation Skills: Works in Teams; Solves Problems; Makes Decisions

Journal Topic:

If you were a contestant on a game show and had to donate all of your money to a good cause if you won, what cause would you choose and why?

Materials Needed:

Key Vocabulary Worksheet

Journal Form

Handout 1: Steps to Problem Solving

Handout 2: Problem Solving Flow Chart

Handout 3: Scenarios

Family Focused Finances Post Survey

Activities:

1. Welcome.
2. Key Vocabulary – Preview together. Definitions can be brainstormed individually or as a group. If time permits, vocabulary words can be written on the board ahead of time, and students can use dictionaries to locate words and write down the definitions prior to vocabulary review.
3. Journal Writing: Have participants write freely about the topic, using the Journal Form, and, if comfortable, share their responses.

4. Introduce Steps to Problem Solving: As a culminating activity, students will apply the knowledge they gained during the five previous workshops to do some problem solving together. Using Handout 1, review the Steps to Problem Solving.
5. Problem Solving Flow Chart: Share Handout 2 with students. Explain that this is a helpful tool for the next activity.
6. Scenario Activity: Students can work in pairs or teams. Each group is given a scenario that illustrates a financial problem. Together, students can work through the scenario and come up with a suggested solution using the problem solving skills. When finished, students can share their solutions.
7. Debriefing: Questions and Discussion.
8. Family Focused Finances Post Survey

Interactive Literacy Activities:

Related Children's Literature:

If You Made a Million by David M. Schwartz, Amy Cohn (Editor), Steven Kellogg (Illustrator)
This story explores the fascinating world of money.

Activity:

Sharing – Children can practice solving problems by sharing with each other. Make a large amount of homemade play dough, using green food coloring to dye the dough. Pass the whole amount around, encouraging children to take a piece to play with, while leaving enough for others.

Play Dough Recipe:

- 4 cups flour
- 1 cup salt
- 4 cups water
- 4 tablespoons oil
- 1/2 cup cream of tartar

Mix all ingredients in a sauce pan. Cook and stir over low/medium heat until play dough is completely formed and no longer sticky. Allow to cool slightly before storing in an air tight container or Ziploc bag.

Variations: Add one package of unsweetened powdered Kool-Aid to your playdough to give it a great smell.

Resources:

Problem solving step information was found at literacy.kent.edu

Play dough recipe found at www.mcps.k12.md.us/curriculum/pep/playdo.htm

Lesson Plan for Unit 6
Putting it All Together

Topic	Plan	Materials
Key Vocabulary	1. Review the key vocabulary participants will use in the workshop.	Key Vocabulary Worksheet
Journal Writing: If you were a contestant on a game show and had to donate all of your money to a good cause if you won, what cause would you choose and why?		Journal Form
Introduce steps to problem solving	1. Using Handout 1, review the Steps to Problem Solving.	Handout 1: Steps to Problem Solving
Problem Solving Flow Chart	1. Share with students.	Handout 2: Problem Solving Flow Chart
Scenario Activity	1. Students can work in pairs or teams. Each group is given a scenario that illustrates a financial problem. 2. Together, students can work through the scenario and come up with a suggested solution using the problem solving skills. 3. When finished, students can share their solutions.	Handout 3: Scenarios
Debrief	Questions and Discussion	
Family Focused Finances Post Survey	Students complete.	Family Focused Finances Post Survey

Steps to Problem Solving

❖ Define the Problem

- Look at the situation carefully.
- Be as specific as possible when thinking about the problem. *For example* - instead of saying "I hate my job," be more specific about what you don't like, maybe "I don't like working third shift."

❖ Brainstorm Possible Solutions

- Be creative.
- Don't stop with the first couple of options - keep thinking.
- Look at the Consequences for Each Solution (Positive and Negative)
- Think about whom else might be affected by this solution.
- Think about the outcome you want to achieve.

❖ Choose the Best Solution

- Keep in mind that sometimes doing nothing is the best solution.

❖ Identify Next Steps

- Think about what you must do first.
- Think about what resources or individuals you will need to help you.

Unit 6
Handout 2

1) Define problem.



2) Possible Solutions and Consequences



3) Choose the best solution.



4) Next Steps

Unit 6
Handout 3

Scenarios

1 - Marcus has \$450. He works part-time out of town, and does not get paid again for two weeks, and his rent is due in three days. His total rent is \$350. Today, on his way home from work, his car broke down and would not re-start. The total cost of towing and repair is \$200.

Please help Marcus problem solve.

2 - Lucille makes enough money to make ends meet. She is caught up on her bills, and can put food on her table, but does not have much left over after that. Christmas is coming up in two months, and she has a lot of family to buy for. She is considering applying for a credit card so that she can purchase some Christmas gifts. She knows that it would take a long time, though, to pay off the balance.

Please help Lucille problem solve.

3 - James and his wife have a combined income of \$1200 a month. Their bills usually cost around \$1000, leaving them with \$200 left over. \$200 seems like a lot left over, but something always comes up that leaves them struggling until the next paycheck. They would like to start a savings for the future, but never seem to have anything left over to put towards it.

Please help James and his wife problem solve.

Family Focused Finances- Post Survey

1. I am able to create and track a family budget.

- 4 I am not able to do this.
- 5 I could do this with some help.
- 6 I am able to do this on my own.

2. I can explain the difference between *gross income* and *net income*.

- 4 I am not sure of this.
- 5 I think I know this.
- 6 I am sure of this.

3. I can explain at least three risks and three benefits of credit cards.

- 4 I am not able to do this.
- 5 I can explain at least one risk and one benefit of credit cards.
- 6 I can explain two or more risks and two or more benefits of credit cards.

4. I can define: credit limit, interest, and balance in terms of credit cards.

- 4 I am not able to define these terms.
- 5 I can define at least one of these terms.
- 6 I can define two or more of these terms.

5. I can explain at least 3 benefits of having a bank account.

- 4 I am not able to do this.
- 5 I can explain at least one benefit of having a bank account.
- 6 I can explain two or more benefits of having a bank account.

6. I can explain the difference between a *want* and a *need*.

- 4 I am not sure of this.
- 5 I think I know this.
- 6 I am sure of this.

7. I can explain the difference between a *debit card* and a *credit card*.

- 4 I am not sure of this.
- 5 I think I know this.
- 6 I am sure of this.

8. In terms of insurance, I can define the word *deductible*.

- 4 I am not able to do this.
- 5 I think I can do this.
- 6 I am sure I can do this.

9. I can explain the difference between *fixed* and *variable* expenses.

- 4 I am not able to do this.
- 5 I think I can do this.
- 6 I am sure I can do this.

10. I can explain how my *credit limit* is established and how it affects me.

- 4 I am not able to do this.
- 5 I think I can do this.
- 6 I am sure I can do this.