

# Advanced (must know 4 out of 6)

## 1. Knows how to make out a monthly budget covering regular expenses for Independent Living

### Monthly Budget Planner Example

	Budget Amount	Actual Amount		Budget Amount	Actual Amount
<b>Income</b>			<b>Savings &amp; Investments</b>		
Work wages	\$	\$	Savings	\$	\$
Social Security	\$	\$	Emergency Fund	\$	\$
Public Assistance	\$	\$	401k or IRA	\$	\$
Food Stamps	\$	\$	Stocks/Bonds/Mutual Funds	\$	\$
Other	\$	\$			
<b>Total Income</b>	\$	\$			
<b>Expenses</b>			<b>Education</b>		
<b>Housing</b>			Tuition	\$	\$
Rent	\$	\$	Books & Fees	\$	\$
Utilities	\$	\$	Supplies	\$	\$
Telephone	\$	\$	Other:	\$	\$
Other:	\$	\$			
<b>Debt Payments</b>			<b>Personal &amp; Health</b>		
Credit Card Payments	\$	\$	Clothing	\$	\$
Student Loans	\$	\$	Toiletries	\$	\$
Other Loans:	\$	\$	Haircuts	\$	\$
			Gym/Sports Club Dues	\$	\$
			Health & Life Insurance	\$	\$
			Doctor & Dentist Visits	\$	\$
			Prescription and OTC Drugs	\$	\$
			Other:	\$	\$
<b>Food</b>			<b>Entertainment</b>		
Groceries	\$	\$	DVDs, CDs, Video Games	\$	\$
Eating Out	\$	\$	Cable TV	\$	\$
Other:	\$	\$	Hobbies:	\$	\$
			Books, Magazines, News	\$	\$
			Other:	\$	\$
<b>Transportation</b>			<b>Miscellaneous</b>		
Car Payment	\$	\$	Gifts/Donations	\$	\$
Car Insurance	\$	\$	Entertaining Guests	\$	\$
Car Maintenance	\$	\$	Pet Supplies and Vet	\$	\$
Gas	\$	\$	Other:	\$	\$
Public Transit, Parking	\$	\$			
Other:	\$	\$			
<b>Family</b>			<b>Summary Calculation</b>		
Day Care and Babysitting	\$	\$	Monthly Income Total	\$	\$
Activities	\$	\$	- Expenses Total	\$	\$
Child Support/Alimony	\$	\$	= Monthly Spendable Income	\$	\$
Other:	\$	\$			

**Identify your total monthly income here**

**Budget Amount:**  
The money you plan to pay for that expense

**Actual amount=**  
The actual price of the bill/expense

**Savings:**  
Money you have saved up, or money you plan to save this month.

**Monthly expenses:**

**Fixed Expenses:**  
An expense that will stay the same amount such as rent or cable bill.

**Flexible expenses:**  
Are costs that can be changed reduced or eliminated. Money spent on clothing, entertainment or groceries can be flexible.

- Tips:**
- ✓ Live within your means: Be realistic
  - ✓ Keep your budget in the positive, not out of bounds
  - ✓ Promote a healthy financial lifestyle
  - ✓ Encourage savings: 10% of your income is best

**Goal:** to save 10% of income

**SSI:** \$733

**Food stamps:** \$190

**Cash Assistance:** \$150

**Total income:** \$1073

X 10%

= 107.30

**Round off = \$100 a month savings**

# Practice Worksheet

Name:					
Date:					
	Budget Amount	Actual Amount		Budget Amount	Actual Amount
<b><u>Income</u></b>			<b><u>Savings &amp; Investments</u></b>		
Work wages	\$	\$	Savings	\$	\$
Social Security	\$	\$	Emergency Fund	\$	\$
Public Assistance	\$	\$	401k or IRA	\$	\$
Food Stamps	\$	\$	Stocks/Bonds/Mutual Funds	\$	\$
Other	\$	\$			
<b>Total Income</b>	<b>\$</b>	<b>\$</b>			
<b><u>Expenses</u></b>			<b><u>Education</u></b>		
<b><u>Housing</u></b>			Tuition	\$	\$
Rent	\$	\$	Books & Fees	\$	\$
Utilities	\$	\$	Supplies	\$	\$
Telephone	\$	\$	Other:	\$	\$
Other:	\$	\$			
			<b><u>Personal &amp; Health</u></b>		
<b><u>Debt Payments</u></b>			Clothing	\$	\$
Credit Card Payments	\$	\$	Toiletries	\$	\$
Student Loans	\$	\$	Haircuts	\$	\$
Other Loans:	\$	\$	Gym/Sports Club Dues	\$	\$
			Health & Life Insurance	\$	\$
			Doctor & Dentist Visits	\$	\$
			Prescription and OTC Drugs	\$	\$
			Other:	\$	\$
<b><u>Food</u></b>			<b><u>Entertainment</u></b>		
Groceries	\$	\$	DVDs, CDs, Video Games	\$	\$
Eating Out	\$	\$	Cable TV	\$	\$
Other:	\$	\$	Hobbies:	\$	\$
			Books, Magazines, News	\$	\$
<b><u>Transportation</u></b>			Other:	\$	\$
Car Payment	\$	\$			
Car Insurance	\$	\$	<b><u>Miscellaneous</u></b>		
Car Maintenance	\$	\$	Gifts/Donations	\$	\$
Gas	\$	\$	Entertaining Guests	\$	\$
Public Transit, Parking	\$	\$	Pet Supplies and Vet	\$	\$
Other:	\$	\$	Other:	\$	\$
<b><u>Family</u></b>					
Day Care and Babysitting	\$	\$	<b><u>Total Expenses</u></b>		
Activities	\$	\$		\$	\$
Child Support/Alimony	\$	\$	<b><u>Summary Calculation</u></b>		
Other:	\$	\$	Monthly Income Total	\$	\$
			- Expenses Total	\$	\$
			= Monthly Spendable Income	\$	\$
Client signature:					

**1) Enter information in monthly budget**

**Your income:**  
**SSI: \$733**  
**Food stamps: \$190**

**Your expenses:**  
**Rent: \$625**  
**Phone: \$30**  
**Electric: \$60**  
**Groceries: \$190**

**2) Difference:**

**Do you have enough to pay for all your expenses? YES or NO**

**Do you have money left over to contribute to another expense?**

## Practice Worksheet

- Enter the expenses listed in the box above titled “Your Expenses” in the monthly budget sheet.
  
- Identify the 3 fixed expenses by putting a check mark on the appropriate items listed below:
  - Cell phone \_\_\_\_\_
  - Rent \_\_\_\_\_
  - Internet \_\_\_\_\_
  - Cable bill \_\_\_\_\_
  - Groceries \_\_\_\_\_
  
- Identify the 3 flexible expenses by putting a check mark on the appropriate items listed below:
  - Electric bill \_\_\_\_\_
  - Health Insurance \_\_\_\_\_
  - Rent \_\_\_\_\_
  - Groceries \_\_\_\_\_
  - Cell phone \_\_\_\_\_
  
- Of the expenses listed below, rank the expenses of your monthly budget from the highest priority of 1 to the lowest priority of 5 by placing numbers 1-5 on the corresponding lines below
  - Cell phone \_\_\_\_\_
  - Cable \_\_\_\_\_
  - Rent \_\_\_\_\_
  - Electric bill \_\_\_\_\_
  - Groceries \_\_\_\_\_

## Answer Worksheet

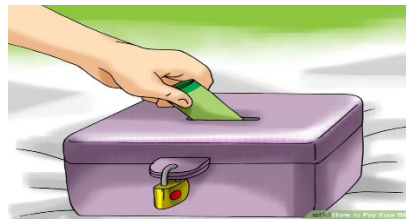
- Enter the expenses listed in the box above titled “Your Expenses” in the monthly budget sheet.
  - Rent: \$625
  - Phone: \$30
  - Electric: \$60
  - Groceries: \$190
- Identify the 3 fixed expenses by putting a check mark on the appropriate items listed below:
  - Cell phone \_\_\_\_\_
  - Rent   x
  - Internet   x
  - Cable bill   x
  - Groceries \_\_\_\_\_
- Identify the 3 flexible expenses by putting a check mark on the appropriate items listed below:
  - Electric bill   x
  - Health Insurance \_\_\_\_\_
  - Rent \_\_\_\_\_
  - Groceries   x
  - Cell phone   x
- Of the expenses listed below, rank the expenses of your monthly budget from the highest priority of 1 to the lowest priority of 5 by placing numbers 1-5 on the corresponding lines below
  - Cell phone   4
  - Cable   5
  - Rent   1
  - Electric bill   2
  - Groceries   3

## 2. Knows how to modify a budget for “Unexpected” Emergencies

### Unexpected Emergencies:

- ❖ Lost bus pass
- ❖ Loss of cell phone
- ❖ Pet vet visit
- ❖ Loss of job or state benefits
- ❖ Home repairs
- ❖ Replacing stolen items
- ❖ Gifts for any occasion
- ❖ Loss of job
- ❖ Ran out of food

**Keep an emergency savings account in case of disaster:** As soon as you have paid your bills, this could be part of your savings goal.



### Ways to modify your budget in case of unexpected emergencies.

- ❖ Identify your weekly/monthly spending habits, and decide what flexible income you can adjust or eliminate such as:
  - Entertainment: movies, bowling, going out to eat, shopping, cigarettes



- ❖ Save money in a piggy bank or lock box, or open a savings account at the bank
- ❖ Speak to a financial advisor
- ❖ If you have a job, if possible offer to pick up more hours
- ❖ Ask to have a bill payment deferred: to be paid at a later date

## Practice Worksheet

1) Identify 3 possible “unexpected emergencies” by putting an “x” next to the corresponding answers:

- Lost bus ticket \_\_\_\_\_
- Rent bill \_\_\_\_\_
- Home repair \_\_\_\_\_
- Cable bill \_\_\_\_\_
- Sick Pet bill \_\_\_\_\_

2) Identify 3 flexible expenses that could be adjusted or eliminated in case of an “unexpected emergency” by putting an “x” next to the corresponding answers:

- Rent bill \_\_\_\_\_
- Entertainment \_\_\_\_\_
- Cable bill \_\_\_\_\_
- Health insurance \_\_\_\_\_
- Prepaid cell phone \_\_\_\_\_

## Answer Worksheet

3) Identify 3 possible “unexpected emergencies” by putting an “x” next to the corresponding answers:

- Lost bus ticket   x
- Rent bill \_\_\_\_\_
- Home repair   x
- Cable bill \_\_\_\_\_
- Sick Pet bill   x

4) Identify 3 flexible expenses that could be adjusted or eliminated in case of an “unexpected emergency” by putting an “x” next to the corresponding answers:

- Rent bill \_\_\_\_\_
- Entertainment   x
- Cable bill   x
- Health insurance \_\_\_\_\_
- Prepaid cell phone   x

### 3. Knows how to read monthly bank statements, compare balances, make adjustments as necessary

2) Bank member name and address

3) Account #

4) Statement period:  
Dates of bank activity included in this statement

6) Information for account activity For:  
Beginning balance  
Dates  
Descriptions  
Amount  
Balance

## Bank Statement

**1** ABC Tree Bank  
6547 My Street  
Anytown, NY 02020

**2** Bill Buster  
1234 Your Street  
Anytown, NY 10101-0202

**3** Checking Account Number: 25456923

**4** This statement shows transactions for the period: April 1, 2005 to April 25, 2005

**5** Activity Summary  
Deposits (+): \$756.94  
Checks (-): \$555.00  
Misc. Debits (-): \$159.73  
Fees (-): \$0.00  
Ending Balance: \$642.21

6	Date	Description	Amount	Balance
		Beginning Balance		\$600.00
	4-5	ATM Withdrawal	\$101.00	\$499.00
	4-7	Deposit	\$756.94	\$1,255.94
	4-8	1001	\$430.00	\$825.94
	4-10	Supermarket Store 89	\$58.73	\$767.21
	4-20	1002	\$125.00	\$642.21

Thanks for banking with us. Our Customer Service Number is 1-800-555-5555.

1) Bank name and address

5) Activity summary of all amounts for:

Deposits  
Checks  
Fees  
Debits  
Ending balance

**Bank Statement:** a printed record of the balance in a bank account and the amounts that have been paid into it and withdrawn from it, issued periodically to the holder of the account.



**Practice Worksheet**

**SAMPLE ACCOUNT STATEMENT AND BALANCING**  
**Exercise**

<b>1 THIS FIRST BANK</b>		
<b>FIRST CHOICE ACCOUNT</b>		
MANDARIN BRANCH 4444 THIS STREET ANYTOWN, STATE 00000-0000		
CUSTOMER SERVICE 24 HOURS A DAY, 888-000-0000		
JOHN Q. CUSTOMER 1234 MAIN STREET ANYTOWN, STATE 00000-0000	ACCOUNT 12345-678910	STATEMENT PERIOD 1-1-2000 TO 2-1-2000
THANK YOU FOR BANKING WITH THISFIRST		
SUMMARY OF YOUR ACCOUNTS		
CHECKING		SAVINGS
BEGINNING BALANCE	500.000	
DEPOSITS	538.68	
WITHDRAWALS	629.73	
SERVICE CHARGES/FEES	6.00	
ENDING BALANCE	794.57	
MIN BAL ON 2-1-00	54.87	
CHECKING ACTIVITY		
DEPOSITS		
POSTED	AMOUNT	DESCRIPTION
1-05	230.66	DEPOSIT
1-15	765.50	DEPOSIT
WITHDRAWALS		
CKNO	PAID	AMOUNT
106	1-16	632.75
107	1-24	35.98
108	1-26	72.43
POSTED	AMOUNT	DESCRIPTION
1-21	40.00	ATM WITHDRAWAL
1-22	20.00	ATM WITHDRAWAL
CHECKING SERVICES CHARGE AND FEE SUMMARY		
AMOUNT	DESCRIPTION	
6.00	MONTHLY SERVICE CHARGE	

## Practice Worksheet

Review the bank statement above and answer the questions below:

1) What is the name of the bank; write out name on line below:

---

2) What is the beginning balance for this account?

3) What is the ending balance for this account?

4) What is the amount for check # 107? Circle correct answer:

a) 35.98    b) 72.43

5) How much was deposited into the account?

## Answer Worksheet

Review the bank statement above and answer the questions below:

1) What is the name of the bank; write out name on line below:

**1 This First Bank**

2) What is the beginning balance for this account?

**\$500.00**

3) What is the ending balance for this account?

**\$794.57**

4) What is the amount for check # 107? Circle correct answer:

**a) 35.98**   b) 72.43

5) How much was deposited into the account?

**\$538.68**

## 4. Knows how to shop using unit pricing

**Unit pricing:** identifying the labels on items comparing the **retail price per unit of an item, by the actual cost of the item**. This allows for easier price comparisons among similar products in different sized containers.

**Unit:** is based on a quantity of the same one product.

LAUNDRY DETERGENT 2.5 L \$7.62 \$3.05 per 1 L Unit price	LAUNDRY DETERGENT 1.5 L \$5.74 \$3.83 per 1 L Unit price
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### HOW TO CALCULATE UNIT PRICE

- Unit Price is the cost for each unit.
  - Examples:
    - Per ounce
    - Per lb
    - Per item such as a bunch of bananas or bag of candy bars
  - Formula:  
 $\text{Price Per Unit} = \text{Price of item} / \# \text{ of units}$

**Tip:** When comparing unit prices, it is better to buy the product that costs less per unit, even if the price is higher, you are still getting a better deal!

## Practice Worksheet



- 1) Which yogurt costs less money per unit?  
a) 32 oz. yogurt b) 6 oz. yogurt
- 2) Which yogurt is the best deal?  
a) 32 oz. yogurt b) 6 oz. yogurt

**Unit Price = Retail Price/Size**

CUT GREEN BEANS

MADE WITH Fresh Cut Blue Label CUT GREEN BEANS

UNIT PRICE 7.3¢ 8.00 OZ  
RETAIL PRICE 58¢  
Store Brand

UNIT PRICE 9.8¢ 8.00 OZ  
RETAIL PRICE 78¢  
Name Brand

- 3) Which can of greens beans costs more money per unit?  
a) 8 oz. green beans for \$0.58 b) 8 oz. green beans for \$0.78
- 4) Which can of green beans is the best deal?  
a) 8 oz. green beans for \$0.58 b) 8 oz. green beans for \$0.78

## Answer Worksheet



5) Which yogurt costs less money per unit?

- a) 32 oz. yogurt    b) 6 oz. yogurt

6) Which yogurt is the best deal?

- a) 32 oz. yogurt    b) 6 oz. yogurt



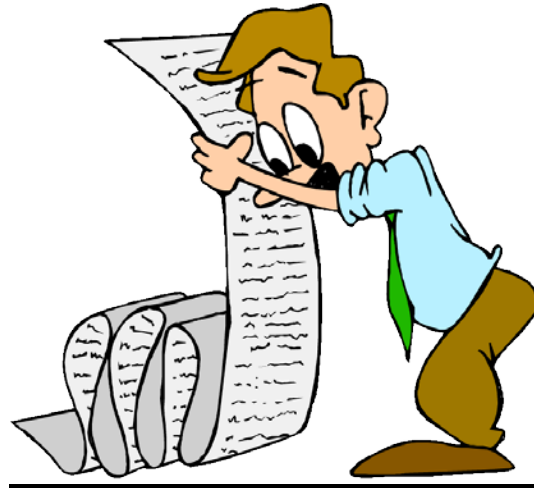
7) Which can of greens beans costs more money per unit?

- b) 8 oz. green beans for \$0.58    b) 8 oz. green beans for \$0.78

8) Which can of green beans is the best deal?

- b) 8 oz. green beans for \$0.58    b) 8 oz. green beans for \$0.78

## **5. Know the importance of getting and keeping receipts for cash transactions (rent, bills, etc.)**



1. **Refund** –Having a receipt is surely the only way for a hassle free exchange or return (assuming the term on the back of the receipt says I can).
2. **Reimbursements** – If you work for a company where you have to make purchases for them, you better save your receipts to get reimbursed.
3. **Check Against Your Credit Card** –Compare what is being charged on the credit card against the receipt that you have. It is good to compare to make sure you aren't being cheated out of your money. Your credit card could have a program, the stores have them and your spouse might even offer it. The only proof of purchase though is through your receipt. Keep them.
4. **Save It for Warranties** – Unless you want to fake a receipt (illegal in case you didn't know), keeping those receipts just in case is a good idea. This is especially true for electronics, because usually the first thing they ask after you get on the phone is "When did you buy it".
5. **In case the Cashier Never Activates Your Gift Card**
6. **Show Proof for Services If it Wasn't Fixed the First Time** – Ever get something fixed and it starts breaking again within a week? Show them your receipt and tell them it wasn't fixed correctly the first time.
7. **Record it in Your Budget** – If you don't save your receipts, how will you remember to write it down in your budget? Whether you do it every day or once a week, just save those receipts because even if you CAN remember them, why waste your brain power when you don't have to?
8. **Figure Out How to Use up Your Flexible Spending Account (FSA)** – If you can't use up your FSA, wouldn't you want to know what you bought before that qualifies? Receipts are a great place to start.

### **Tips For Keeping Receipts:**

- Have a folder you place all your receipts in
- Keep a list of all bills or expenses paid in cash
- Stay organized

## 6. Understanding on buying on credit, interest, and late payment penalties (credit card, etc.) (must know all)

**Interest rate/Annual Percentage Rate:** a part of a loan/credit card that is charged a fee to the borrower basically on a designated rate.

### **Important Information:**

Interest rate is dependent on Lending Company and the borrowers credit history

**A credit report:** identifies a person's past history of borrowed money and repayments which determines a borrowers interest rate to be charged

**Payment timeline:** Based on the amount paid per month combined with the interest rate,

*\*Late payment fees can be charged if you don't pay your bill by the due date*

**Note:** you can avoid paying interest if you can afford to pay off full balance of loan every pay period

**Example of Interest:**

APR – Annual Percentage Rate (interest rate)

↓

### CREDIT CARD INTEREST EXAMPLES

	Amount charged to credit card	APR	Minimum Payment	Time to pay off the credit card	Total amount of interest paid	Total paid for credit card balance
1.	\$2,000	18%	\$50.00	62 months	\$1,077.25	\$3,077.25
2.	\$2,000	10%	\$50.00	49 months	\$443.00	\$2,443.00
3.	\$2,000	18%	\$75.00	35 months	\$573.00	\$2,573.00

Option 2 is the best example of having a shorter amount of time to pay off the credit compared to option 1 and option 2 has a lower interest rate than option 3.

The **less amount of time** paying off a credit card bill, the **less money is spent on interest**. This all depends on the interest rate, if the interest rate is high the more money you will have to pay in the end.

Financial Education – Updated April 2009 – Credit the Norton School of Family and Consumer Science



**Practice Worksheet**

**Answer the questions by circling the correct answer below:**

**1) Would you be charged interest on your balance if you were to pay off your balance in full every month?**

Yes or No

**2) If you paid your bill past the due date would you be charged a late payment fee?**

Yes or No

**3) Do you use a credit card when you don't have enough cash for the purchase?**

Yes or No

**4) Name some pros and cons of having a credit card?**

**5) Is it more money actually spent on the purchase making a credit card payment?  
If so, why?**

Yes or No

**6) Is there any way to avoid paying interest on a credit card? If so, why?**

Yes or No

**7) What will happen if you make a late payment?**

Answer Worksheet

1) **Would you be charged interest on your balance if you were to pay off your balance in full every month?**

Yes or No

2) **If you paid your bill past the due date would you be charged a late payment fee?**

Yes or No

3) **Do you use a credit card when you don't have enough cash for the purchase?**

Yes or No

4) **Name some pros and cons of having a credit card?**

- Pros:
  - Can buy things you don't have the money for
  - Can help to build "credit" if you make payments on time
- Cons:
  - End up paying more money the item is worth (due to interest)
  - Not being able to afford the monthly payment can negatively affect your credit score

5) **Is it more money actually spent on the purchase making a credit card payment? If so, why?**

Yes due to interest, or No

6) **Is there any way to avoid paying interest on a credit card? If so, why?**

Yes, do not carry a balance over to the next month or pay the borrowed or spent amount in full. or No

7) **What will happen if you make a late payment?**

- a. Fees added on to the next month's payment.

## 7. Knows how to create a savings plan

26 Week / \$1,000 Savings Plan		
Week	Deposit	Balance
Week 1	\$ 26.00	\$ 26.00
Week 2	\$ 27.00	\$ 53.00
Week 3	\$ 28.00	\$ 81.00
Week 4	\$ 29.00	\$ 110.00
Week 5	\$ 30.00	\$ 140.00
Week 6	\$ 31.00	\$ 171.00
Week 7	\$ 32.00	\$ 203.00
Week 8	\$ 33.00	\$ 236.00
Week 9	\$ 34.00	\$ 270.00
Week 10	\$ 35.00	\$ 305.00
Week 11	\$ 36.00	\$ 341.00
Week 12	\$ 37.00	\$ 378.00
Week 13	\$ 38.00	\$ 416.00
Week 14	\$ 39.00	\$ 455.00
Week 15	\$ 40.00	\$ 495.00
Week 16	\$ 41.00	\$ 536.00
Week 17	\$ 42.00	\$ 578.00
Week 18	\$ 43.00	\$ 621.00
Week 19	\$ 44.00	\$ 665.00
Week 20	\$ 45.00	\$ 710.00

Open a savings account and only use it to deposit

Use a savings worksheet to keep track of your savings

Determine your purpose for saving.  
  
How much do you want or need to save?

Speak with a financial advisor or staff at your bank in regards to savings plans or investments

**Investments:** Another method of saving money in a specific account to gain profit such as interest or appreciation on your own money.

**Investments may be:**

- ❖ **Certificate of deposits (CD):** where you deposit money for a specific length of time and it will accrues interest
- ❖ **US Savings bonds:** money invested over length of time, and as it matures it accrues interest, you will received by the maturity of bond
- ❖ **Money market funds:** pays out interest, but protects your money
- ❖ **Mutual funds/ stocks:** invest money into specific funds that may have a good payout but also you risk losing money as well.
- ❖ **Municipal bonds:** money invested into bonds where you can avoid federal taxes, and keeps your money safe.

You can find more information on [www.goodfinancialcents.com](http://www.goodfinancialcents.com) or by speaking with a financial advisor



