Presentation Notes for Personal Money Management

Slide 1
According to the Bureau of Labor statistics, in 2010 families spent $6,129.00 on food a year. Eating at home was $3,624.00 and away from home was $2,505.00.

How much do you think an average family spends on food a week? In a lifetime? How much does your family spend on food a month?

Note to teacher: You can assign this as enrichment activity or extra credit to the students.

Families will spend thousands of dollars on food. For this reason, you want to be very knowledgeable when it comes to providing safe and nutritious foods for your family.

**Recipe Finder**
Contains over 600 low cost, nutritious, and delicious recipes in both English and Spanish
http://recipefinder.nal.usda.gov
Note to teachers: Read and discuss the article from the University of Missouri Extension Office “Squeezed by Rising Food Prices?” Discuss each topic:

• Before you go to the store
• At the store
• When you get home
• Eating out
• Eating at home
• Preparing food at home
• Before you go to work, and at home
• Resources you may not have thought about

• How can coupons save your family money? How many of you use coupons at the grocery store? At a restaurant? Do coupons really save you money?
• Is there a difference between brand name products and generic products?

University of Missouri Extension
Squeezed by Raising Food Prices? Small changes in your shopping habits can mean saving money at the grocery store.
http://extension.missouri.edu/p/MP905
According to the Bureau of Labor statistics, in 2010 families spent $1,700.00 on apparel and services.

Wardrobe planning can help you determine your needs and wants. Take inventory of your existing wardrobe. The inventory should also include all accessories such as belts, scarves, purses, and jewelry.

Do you really need another pair of jeans if you already have twelve pair in your closet? How many t-shirts do you own? Do you need a new jacket for the winter? Have you outgrown your pants? Do you have clothes that need to be repaired? Recycled?

How do you decide what to add to your wardrobe?
What is a fad?

How can you stretch your clothing dollar?

• It is wise to compare prices and the quality of the clothes between different brands and stores.
• Shop at factory outlets, consignment stores, resale stores, and discount stores.
• Look for coupons in your local newspaper, mail service, or on-line. End-of-season sales can be a bargain. Some items can be marked down 30%-50% off.
• If you know how to sew or know someone who does sew, sewing your own clothes can save you a substantial amount of money.
• Check the clothing construction of the garment; check the seams, buttons, and hem lines.
• Read the labels for use and care information. Know the fibers and fabrics that have been used. If it is a dry clean only item, you will be spending more money to care for the item.
• Check the fit, appearance and if you will be able to mix and match it with other items in your wardrobe.

• What kind of shopper are you? A bargain shopper? You only purchase the name brands? A conscientious shopper?
Before deciding on a place to live, set up a budget for housing costs for:
- Utilities
- Insurance
- Taxes
- Incidents

Economic Housing Decisions
Types of housing can include apartments and houses

According to the Bureau of Labor statistics, in 2010 families spent $16,557.00 on housing a year. There are different legal responsibilities between renting and buying a home.

What are the differences?
What are incidentals?
How do they affect the housing costs?
What is a mortgage?
What is a lease?

Compare and contrast a having a mortgage and a lease.
What are some questions renters should answer before signing a lease?
How much money can home owners expect to pay for maintenance, repairs and incidentals annually?
According to the Bureau of Labor statistics, in 2010 families spent $3,157.00 on health care per year.

How often should you have a checkup?
What qualifications should you look for when selecting a qualified health care provider?

How does obesity affect the economy and the family? How?

According to Reuters Edition U.S. because obesity raises the risk of a host of medical conditions, from heart disease to chronic pain, the obese are absent from work more often than people of healthy weight. The most obese men take 5.9 more sick days a year; the most obese women, 9.4 more days.

Obesity-related absenteeism costs employers as much as $6.4 billion a year, health economists led by Eric Finkelstein of Duke University calculated.

Obese men rack up an additional $1,152.00 a year in medical spending, especially for hospitalizations and prescription drugs, Cawley and Chad Meyerhoefer of Lehigh University reported in January in the Journal of Health Economics.

Obese women account for an extra $3,613.00 a year. Using data from 9,852 men (average BMI: 28) and 13,837 women (average BMI: 27) ages 20 to 64, among whom 28 percent were obese,
the researchers found even higher costs among the uninsured: annual medical spending for an obese person was $3,271.00 compared with $512.00 for the non-obese. Nationally, that comes to $190 billion a year in additional medical spending as a result of obesity, calculated Cawley, or 20.6 percent of U.S. health care expenditures.

How does alcohol, tobacco and drug abuse affect the economy and the family?

According to National Institute of Drug Abuse, estimates of the total overall costs of substance abuse in the United States, including productivity and health- and crime-related costs, exceed $600 billion annually. This includes approximately $181 billion for illicit drugs, $193 billion for tobacco, and $235 billion for alcohol. As staggering as these numbers are, they do not fully describe the breadth of destructive public health and safety implications of drug abuse and addiction, such as family disintegration, loss of employment, failure in school, domestic violence, and child abuse.
Families spend their free time participating in activities such as:
- Going on a vacation
- Movies
- Electronic devices
- Sporting events
- Music events
- Dining out

According to the Bureau of Labor statistics, in 2010 families spent $2,504.00 on recreation and entertainment per year.

Tweens, teens, and young adults have not only more things than previous generations, they also have more consistent, available access to vast amounts of information than their parent or grandparent could have imagined in their youths. Accessibility is made easy by the click of a mouse or the tap of a screen. In fact, over three-quarters of 8-9 year olds (76%) and up to nine-in-ten 16-17 year olds (91%) are on the Internet an hour or more a day, excluding email. When looking at all types of media, on average, tweens spend 8.4 hours engaged versus teens that spend 12.6 hours engaged with media per day. On average, teens spend 3.6 hours per day online, 2.9 hours watching television, and 1.6 hours each playing video games and listening to an MP3 player.

How often do you watch television? Play video games? Listen to your MP3 player? How much time do you spend on your phone? Computer?
According to the Bureau of Labor statistics, in 2010 families spent $7,677.00 on transportation.

Why have motorcycles become popular in the past few years? If you were to buy a car today, what are some of the costs, included in owning and operating a car? Discuss the pro and cons of buying a car from an individual, a reputable car dealer or online? What is the Kelley Blue Book? Should you lease or purchase a vehicle. Compare and contrast the two options. Which is better; a used or new car?
To be an informed consumer, know what community resources are available:
- People
- Places
- Organizations
- Government Agencies

Being aware and understanding how to use the resources available in your community, will help you be a better informed consumer. Who are some people in the community that could assist you with consumer problems or questions? Bankers, business people, customer service managers (ask students to expand on the list).

What agency can we use for consumer problems or questions?
What organizations are available in the community?
What government agencies are available in the community?

Note to teacher: You can assign a student as a scribe to write the resources on the board as the students brainstorm the information.
John F. Kennedy had equated the rights of the ordinary American consumer with national interest. He gave the American consumer four basic rights:

The Right to Safety - to be protected against the marketing of goods which are hazardous to health or life.

The Right to Choose - to be assured, wherever possible, access to a variety of products and services at competitive prices: and in those industries where competition is not workable and Government regulation is substituted, an assurance of satisfactory quality and service at fair prices.

The Right to Information - to be protected against fraudulent, deceitful or grossly misleading information, advertising, labeling, or other practices, and to be given the facts s/he needs to make an informed choice.

The Right to be Heard - to be assured that consumer interests will receive full and sympathetic consideration in the formulation of Government policy, and fair and expeditious treatment in its administrative tribunals.

Thirteen years later President Gerald Ford felt that the four rights constituted in Kennedy’s Bill of Rights were inadequate for a situation where most consumers are not educated enough to
make the right choices. So he added the Right to Consumer Education, as an informed consumer cannot be exploited easily. Since then, three more have been added:
• the right to satisfaction of basic needs
• the right to redress
• the right to a healthful environment

Today, these eight consumer rights have been endorsed by the United Nations and affirmed by Consumers International, a worldwide consumer organization. (See www.consumersinternational.org).

Note to teacher: As an enrichment activity, you could assign students to research each Consumer Rights and Responsibilities and report back to class.
Note to teacher: Review the contents of a sample consumer complaint letter. You can also print the letter for the students to keep in their binders (See All Lesson Attachments tab). Discuss what to consider when writing a letter and tips for filing a complaint.

Assign a student to scribe the following answers pertaining to a letter of complaint:

What do you need to remember when filing a letter of complaint?

What are some important tips for filing a complaint?

What are consumer advocates? They are individuals or groups who promote consumer interests in areas such as health and safety, education, redress, truthful advertising, fairness in the marketplace, and environmental protection.

What does redress mean?

USA.gov
Sample of Consumer Complaint Letter
http://www.usa.gov/topics/consumer/complaint/complaint-letter.shtml
When it comes to making financial decisions, you want to be wise and thorough. The key to financial well-being is spending less than you earn.

Habit—Do you buy the same soft drink every day? Do you sit at the same table to lunch every day? We have good habits and bad habits. If you have a bad habit of not checking your balance in your checking account, how could this hinder your financial success?

Impulse—Have you ever bought something on sale even though you knew it did not look good on you? Have you ever bought anything on an impulse? Do you have items in your closet with the sales tags still attached? Was that a sound financial decision?

No action—Not being able to buy what you need and want because of inadequate financial planning.

Your financial decisions carry a lifetime of consequences. Learn how to manage your money and have financial peace of mind. What does it mean by “living within your means”? Think about your priorities and plan carefully. Determine your needs and make sure they are meet before you satisfy your wants. A systematic or decision-making process can help you manage your money wisely.
Organizing tasks and responsibilities can help you management your individual and family resources such as finances, food, clothing, shelter, health care, recreation, transportation, time, and human capital.
Your money management plan consists of determining all your income from various sources and compiling a list of all your expenses. After you total all your income and expenses, subtract total expenses from total income to determine the balance amount.

How can a money management plan help you manage your money now and in the future? What are the differences between variable, fixed and discretionary expenses? Give examples of each. What are some contributing factors of a negative balance-when you have more expenses than income? What are some steps to avoid a negative balance?
How to Set Your Money Goals
Biz Kids host shows you how to set your money goals and make them real.

The S.M.A.R.T. Approach
(click on link)

He uses S.M.A.R.T approach. If you are ready to be successful, check out entertaining site for teens with lots of useful information at http://www.iaam.com.

What does S.M.A.R.T. stand for? How can these tools help you set your money goals?

How to Set Your Money Goals
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http://www.youtube.com/watch?v=VVlbCwG1YHl&feature=youtu.be
“What to do with your money” is a formula we outline as: 70+20+10=100. Translated, that means of your net income, no more than 70 percent should go towards living expenses. These expenses are for such items as house payment, food, utilities, etc. No more than 20 percent of your income should go to your creditors. These credit payments would include vehicle payments and credit card payments. The remaining 10 percent of your income should go towards savings, investments and to cover emergency expenses. If you follow this 70+20+10 formula, you will be practicing sound financial money management.

What does your formula look like today? How is your net income distributed?
Teens Buying Power in 2012

According to the 2012 Harris Poll YouthPulse® study, today's teens have a huge purchasing power in the world of economics.

Eight to 24-year-olds are ready to spend $211 Billion Dollars

Teens have a yearly income of between $2000.00 to $4000.00. Where do they spend their money? How do you spend your money?

Note to teacher: Conduct a small survey of the class on how they spend their money. Create a table and have students analyze the results.

The 2012 Harris Poll YouthPulse study was conducted online among 5,077 U.S. youth ages 8-24 in August 2011. Teens have a lot of influence over what their parents purchase for them. 7 out of 10 teens have cell phones (69%) and 3 out of 10 teens have smart phones (30%). Easy access to the web, on-line shopping, the media and the fact that there are 23 million teens in the United States have influenced the buying power of teenagers.
Do you think these budgeting tips could improve your money management skills? How often should you evaluate your budget plan? What changes in life would result in changes in the budget plan?
Tips of How to Manage Your Money
See and learn the financial wisdom of our elders become wiser on how to manage money wiser. Here are some great tips from Warren Buffet: American billionaire, investor, businessman, and philanthropist. Distributed by Tubemogul. http://youtu.be/Ktute59Tzv0
According to the Bureau of Labor Statistics, employment in personal care service occupations is anticipated to grow by 27 percent over the next decade, adding more than 1.3 million jobs. Why factors contribute to this growth?

As consumers become more concerned with health, beauty, and fitness, the number of cosmetic and health spas will rise, causing an increase in demand for workers in this group. The personal care and service group contains a wide variety of occupations; however, two of them—personal care aides and childcare workers—will account for nearly two-thirds of the group’s new jobs.

Personal and home care aides will experience increased demand as a growing number of elderly people require assistance with daily tasks.

Childcare workers will add jobs as the population of children continues to grow and emphasis is increasingly placed on the importance of early childhood education, resulting in more formal preschool programs. These programs will increase demand for both childcare workers and preschool teachers.

What are other occupations in the personal care service industry?
These are the keys to Personal Money Management. Questions?
References and Resources

Microsoft Clip Art: Used with permission from Microsoft

Textbook:

Websites:
Better Business Bureaus in Texas
Better Business Bureaus (BBBs) are nonprofit organizations that encourage honest advertising and selling practices and are supported primarily by local businesses.
http://www.bbb.org

Hands On Banking
Want to take charge of your own finances and reach your goals? Just pick your age group and get started!
http://www.handsonbanking.org/en/

How to Set Your Money Goals
Biz Kids host shows you how to set your money goals and make them real. He uses S.M.A.R.T approach. If you are ready to be successful check out entertaining site for teens with lots of useful information.
http://www.iaam.com
http://www.youtube.com/watch?v=VVlbCwG1YHI&feature=youtu.be

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References and Resources

The National Endowment for Financial Education
The National Endowment for Financial Education (NEFE) is the leading private-nonprofit 501(C)(3) national foundation dedicated to inspiring empowered financial decision making for individuals and families through every stage of life.
[http://www.nefe.org](http://www.nefe.org)

NEFE High School Financial Planning Program
For over twenty-five years this award-winning, free, non-commercial/financial education program has been provided to millions of students in thousands of schools and community organizations throughout the country.
[http://hsfpp.nefe.org](http://hsfpp.nefe.org)

Recipe Finder
Contains over 600 low cost, nutritious, and delicious recipes in both English and Spanish.

Saving Fitness: A Guide To Your Money and Your Financial Future
This guide is to help you succeed in setting financial and retirement goals.

Tips of How to Manage Your Money
See and learn the financial wisdom of our elders become wiser on how to manage money wiser. Here are some great tips from Warren Buffet: American billionaire, investor, businessman, and philanthropist.
Distributed by Tubemogul.
[http://youtu.be/Ktute59Tzv0](http://youtu.be/Ktute59Tzv0)

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University of Missouri Extension
Squeezed by Rising Food Prices? Small changes in your shopping habits can mean saving money at the grocery store.
http://extension.missouri.edu/MP905

USA.gov
Consumer Guides and Protection
http://www.usa.gov/Citizen/Topics/Consumer-Safety.shtml

USA.gov
Sample of Consumer Complaint Letter

United States Department of Agriculture
With USDA’s Cost of Raising a Child Calculator, you can estimate how much it will annually cost to raise a child. This may help you plan better for overall expenses including food, or to purchase adequate life insurance.
http://www.cnpp.usda.gov/calculatorintro.htm